Gwynedd Business Survey

First Half of 2012-13 Results





Ymchwil a Gwybodaeth
Research and Information

CYNGOR GWYNEDD COUNCIL

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This report has been produced on behalf of the Business Support Service, Economy and Community Department by the Corporate Research Unit, Gwynedd Council. More statistical information about the county of Gwynedd is available on our website at www.gwynedd.gov.uk/research.

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Introduction

This report presents results of the Gwynedd Business Survey for the first half of 2012-13, which covers the financial period from April to September 2012.

The Corporate Research Unit was commissioned to work in collaboration with the Business Support Service, Economy and Community Department, Gwynedd Council to conduct a survey of businesses in the county. The aim of the survey was to target local businesses and identify their needs in terms of business support and to know their opinions about the general business environment in terms of local employment, training, recruitment and business growth.

The survey was conducted electronically on the Gwynedd Council website. The survey was promoted through:

- Sending an electronic invitation to complete the survey to members of the Gwynedd Business Network who had a valid e-mail address;
- Sending an electronic invitation to complete the survey to each business on the internal list kept by the Council including those businesses that were previously on the Gwynedd Business Directory with a valid e-mail address;
- Sending an open invitation to businesses to complete the survey via the Gwynedd Economic Partnership's information bulletin; and
- Including an open invitation to businesses to complete the survey on the Gwynedd Council website.

A total of 246 survey responses were received which is slightly lower than the response of 295 for the previous survey. The results of the survey are presented in this report.

As a result of the previous Business Survey, around 52 (17.6%) businesses in Gwynedd expressed that they would like the Gwynedd Council Business Support Service to contact them to discuss any information/further advice that their business would want.

Following the publication of the Survey report, the Business Support Service has contacted those businesses inviting them to contact the Service so as to discuss their business needs further. Some of the businesses have contacted, and the appropriate Officers have been able to provide them with the relevant support or assistance.

Key messages from each Survey are presented to the Gwynedd Economic Partnership (PEG).

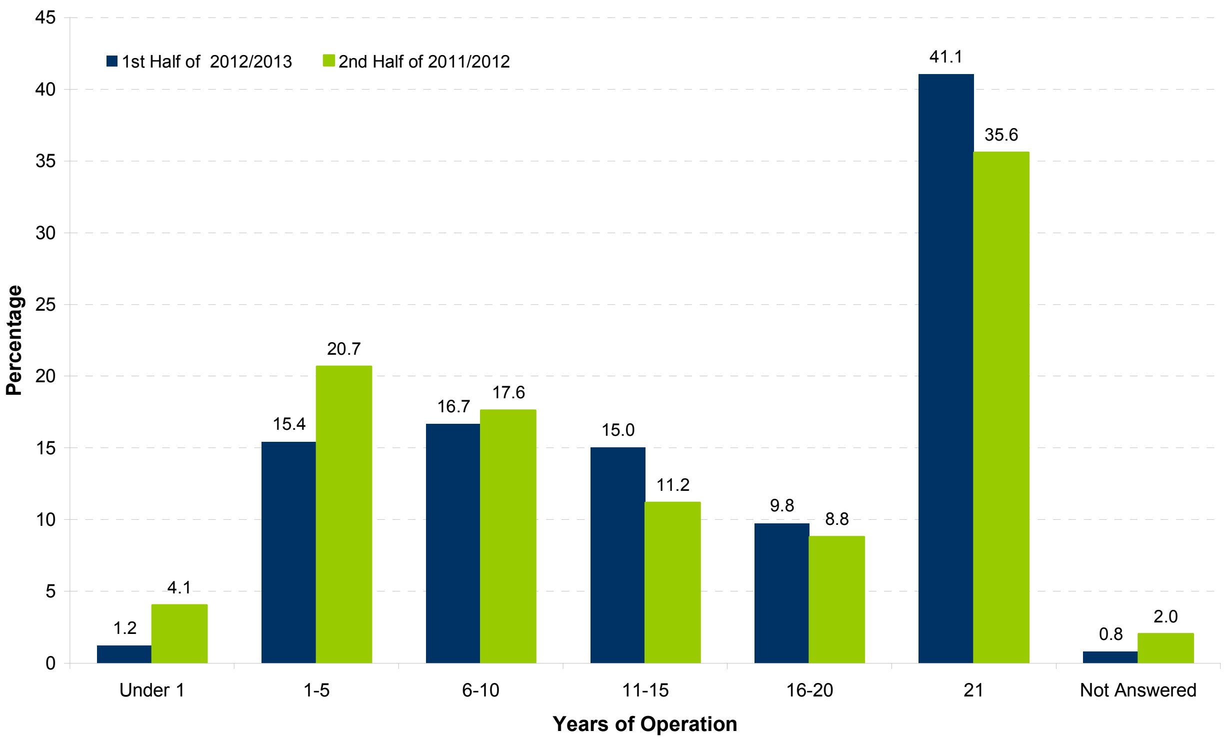
Findings

Section A – Business Details

In terms of responses, a slightly higher response was witnessed from businesses who primarily operate across the whole of Gwynedd (38.2%, N = 94). One of each five respondents were businesses that operate primarily in Arfon (20.7%, N = 51), followed by 19.9% responding from Meirionnydd (N = 49) and 17.1% responding from Dwyfor (N = 42). 4.1% of respondents (N = 10) did not state in which district their business primarily operates in. The percentage of respondents operating across the whole of Gwynedd is higher than 12 months ago (30.2%), with the percentage operating mainly in Meironnydd being lower than 12 months ago (27.5%).

41.1% of respondents (N = 101) were businesses that have been operating for more than 20 years. Only 1.2% of respondents were businesses that have been operating for less than a year (N = 3). On the whole, responding businesses tend to be older than those responding during the previous surveys.

Figure 1 – The highest proportion of respondents are established businesses that have been operating for more than 20 years



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246; Gwynedd Business Survey, 2nd Half of 2011 -12, N = 295,

The respondents represented a range of business sectors, as shown in Table 1, with the highest proportion of respondents being within the tourism sector (17.5%, N = 43). There has been an increase in the proportion of respondents from the professional, scientific and technical sector compared with previous survey periods. The proportion of respondents from the Construction sector tends to be lower in surveys covering the first half of the financial year (April – September), suggesting that industry is busier during those months.

Table 1 - Percentage of responses by sector

Sector	Percentage of responses
Tourism	17.5%
Professional, scientific and technical	12.2%
Wholesale and retail trade	10.6%
Accommodation and food service activities	8.5%
Construction	6.9%
Information and communication	6.9%
Manufacturing	5.7%
Arts, entertainment and recreation	5.7%
Education	4.1%
Human health and social work activities	4.1%
Transportation and storage	2.8%
Agriculture, forestry and fishing	2.4%
Financial and insurance	2.4%
Real estate	1.6%
Electricity, gas, steam and air conditioning supply	1.2%
Administrative and support service activities	1.2%
Repair of motor vehicles and motorcycles	1.2%
Water supply; sewerage, waste management and remediation activities	0.8%
Mining and quarrying	0.4%
Public administration and defence; compulsory social security	0.4%
Other	0.4%
No Answer	2.8%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246

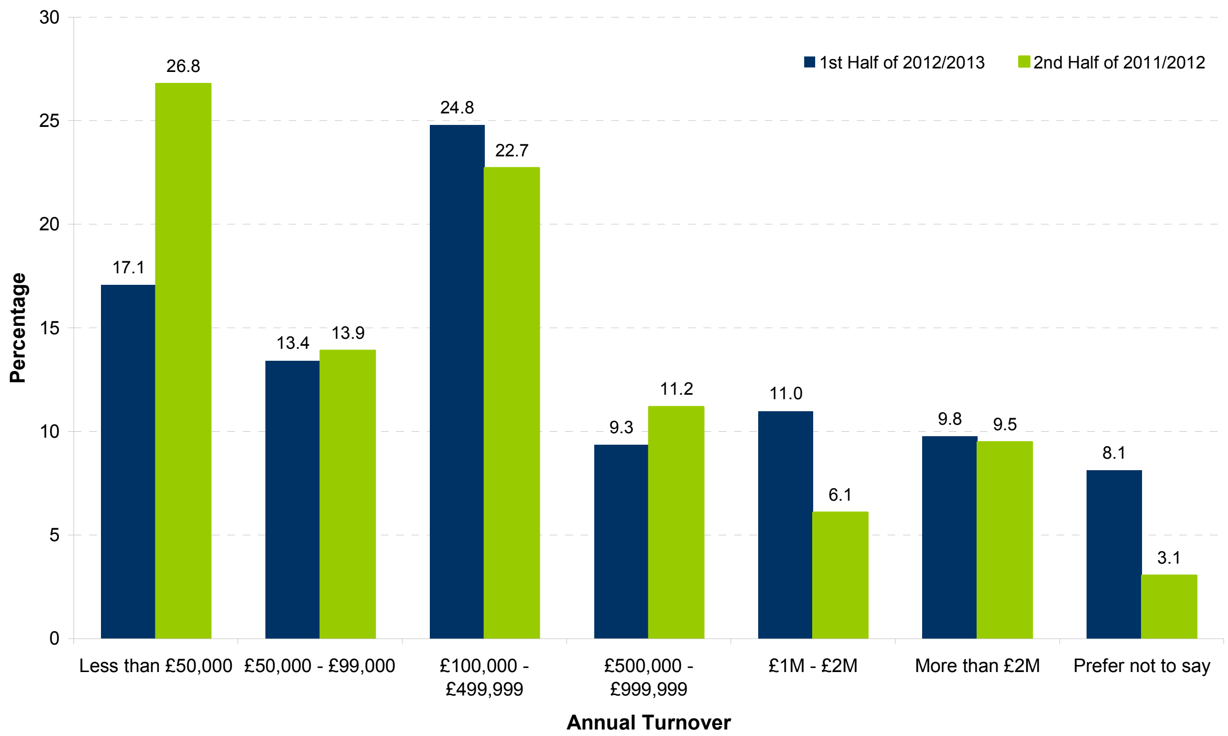
Nearly a quarter of respondents (24.8%, N = 61) are businesses with an annual turnover of £100,000 to £499,999 with another 17.1% with an annual turnover of less than £50,000 (N = 42).

11.0% of respondents are businesses with an annual turnover of £1m to £2m (N = 27), whilst 9.8% have an annual turnover of more than £2m (N = 24).

For the survey conducted this time round, there was indeed a greater response from larger businesses with the number of respondents with an annual turnover of £1m to £2m having increased considerably (from a figure of 18 to 27) since the previous period, and from a figure of 12 a year ago.

The number of respondents with a turnover below £50,000 has almost halved since the lasr survey (from a figure of 79 to 42).

Figure 2 The highest percentage of respondents are businesses with an annual turnover of £100,000 - £499,999

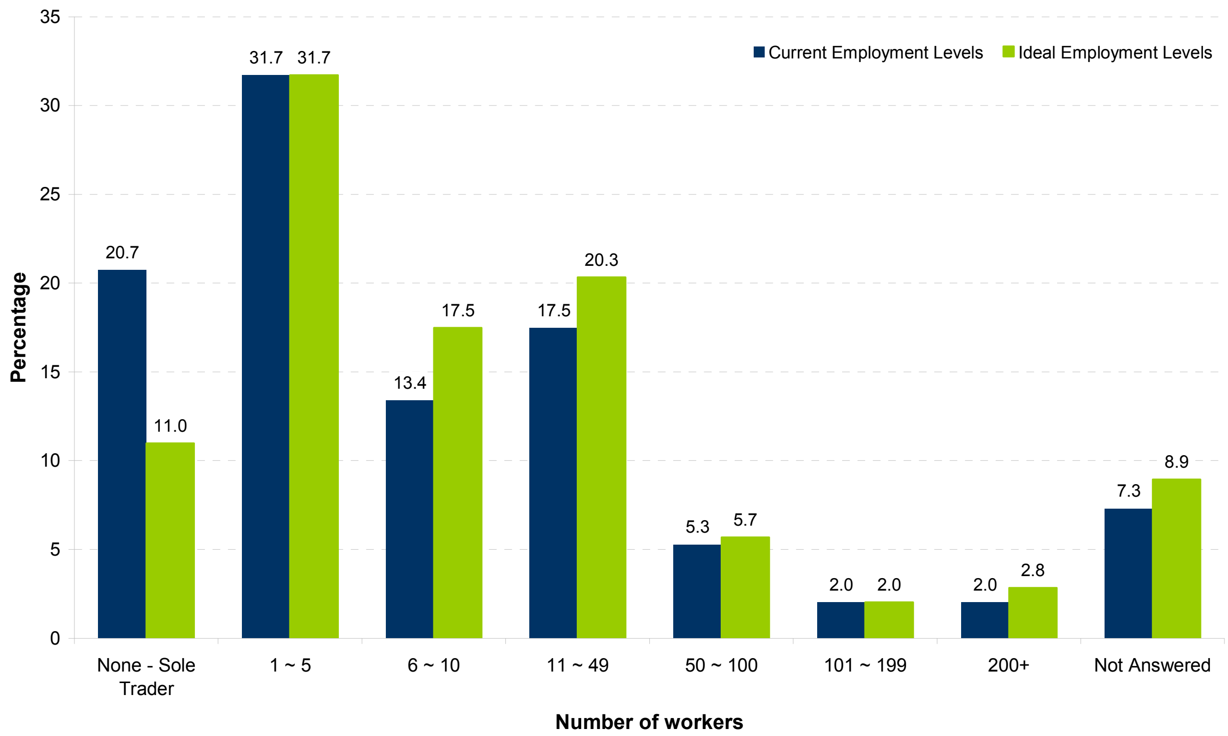


Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246
Gwynedd Business Survey, 2nd Half of 2011 -12, N = 295

Section B – Employment

Around a third of respondents (31.7%, N = 78) are micro businesses in terms of size – currently employing 1 to 5 employees. This is also the ideal number of workers for the highest proportion of respondents (31.7%, N = 78). A fifth of respondents (20.7%, N = 51) were sole traders, with almost half of these (47.1%, N = 24) wanting to grow. These findings are fairly similar to those from previous surveys, although responding businesses this time around tend to be larger in size.

Figure 3 – In terms of employment, Gwynedd's economy is dominated by sole traders and small businesses that employ 1 to 5 employees



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246

To a degree, the trend in terms of the size of responding businesses reflects recent statistics from the Office for National Statistical which state that 69.1% (4,355) of Gwynedd businesses registered for VAT and/or PAYE ('Pay as You Earn') in 2011 were enterprises with an employment size of 0-4 employees. (ONS, UK Business: Activity, Size and Location, 2012)

As shown in Table 2, responding businesses are most likely to employ between 1 to 5 workers across all areas of operation, with the highest proportion of respondents noting this (33.3%, N=31) being businesses that operate across the whole of Gwynedd.

A comparatively higher proportion of businesses that operate primarily in Arfon and throughout the county currently employ over 5 workers (47.1%, N = 24 in Arfon and 43.6%, N = 41 across the whole of Gwynedd).

Table 2 – Levels of current employment by main area of operation

Area of Operation	Number of employees (current)							No Answer	N =
	None – Sole Trader	1~5	6~10	11~49	50~100	101~199	200+		
Arfon	17.6%	31.4%	17.6%	17.6%	7.8%	2.0%	2.0%	3.9%	51
Dwyfor	21.4%	31.0%	19.0%	16.7%	2.4%	0.0%	0.0%	9.5%	42
Meirionnydd	30.6%	30.6%	10.2%	12.2%	6.1%	0.0%	0.0%	10.2%	49
The whole of Gwynedd	17.0%	33.0%	10.6%	21.3%	4.3%	3.2%	4.3%	6.4%	94
All respondents	20.7%	31.7%	13.4%	17.5%	5.3%	2.0%	2.0%	7.3%	246

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

Table 3 shows the ideal levels of employment by main area of operation. Compared with current employment levels (Table 2), it can be seen that businesses in each area generally indicate higher ideal levels of employment.

Table 3 – Ideal level of employment by main area of operation

Area of Operation	Number of employees (ideal)							No Answer	N =
	None – Sole Trader	1~5	6~10	11~49	50~100	101~199	200+		
Arfon	3.9%	37.3%	23.5%	19.6%	7.8%	2.0%	2.0%	3.9%	51
Dwyfor	16.7%	31.0%	16.7%	19.0%	4.8%	0.0%	0.0%	11.9%	42
Meirionnydd	16.3%	38.8%	12.2%	14.3%	6.1%	2.0%	0.0%	10.2%	49
The whole of Gwynedd	9.6%	25.5%	18.1%	24.5%	5.3%	3.2%	5.3%	8.5%	94
All respondents	11.0%	31.7%	17.5%	20.3%	5.7%	2.0%	2.8%	8.9%	246

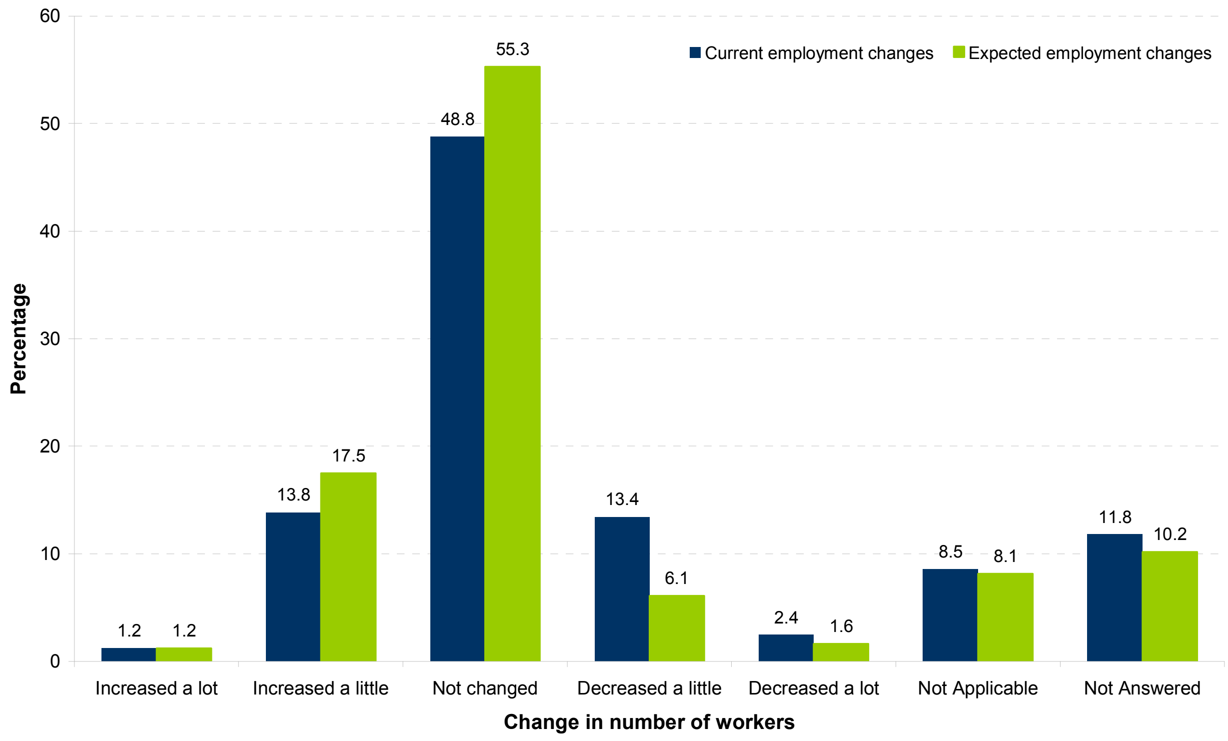
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

Over the last 6 months, excluding seasonal variations, nearly half of businesses (48.8%, N = 120) stated no change to the number of employees in their business, whilst 15% (N = 37) stated an increase in the number of employees and 15.9% (N = 39) stated a decrease. For 11.8% (N=29) of respondents, the question was not applicable or not answered.

Again, excluding seasonal variations, the highest proportion of businesses, over half (55.3%, N = 136), do not expect the number of employees in their business to change over the next 6 months, whilst 18.7% (N = 46) expect a slight increase in the number of employees and 7.7% (N = 19) expect a slight reduction. For 18.3% (N = 45) of respondents, the question was not applicable or not answered.

Since the previous survey which covered the period October 2011 to March 2012, changes in the levels of employment have been fairly balanced, with the number of businesses experiencing increases and decreases being very similar. Although businesses' outlook is positive on the whole, compared ot 6 months ago, the picture is a little less positive by now.

Figure 4 – The number of employees within local businesses in Gwynedd has not changed over the last 6 months, with the trend expected to continue over the next 6 months.



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246

Over the last 6 months, 22.4% (N = 11) of businesses operating mainly across Meirionnydd have experienced a reduction in the number of employees, which is the largest reduction among Gwynedd businesses (Table 4). The highest proportion of businesses whom have experienced an increase in the number of employees is amongst those operating primarily in Arfon (23.5%, N = 12).

Businesses that operate mainly in Dwyfor have experienced the most stability in terms of the number of employees, with 59.5% (N = 25) experiencing no change, 9.5% (N = 4) experiencing an increase and 4.8% (N = 2) experiencing a reduction in the number of employees over the last 6 months.

The trend of Arfon businesses being most likely to have experienced an increase in the number of employees reflects the situation during the previous survey, covering the period October 2011 to March 2012.

Table 4 – Change in the number of employees over the last 6 months by main area of operation

Area of Operation	Number of employees					N/A	N =
	Increased a lot	Increased a little	Not Changed	Decreased a little	Decreased a lot	No Answer	
Arfon	3.9%	19.6%	52.9%	9.8%	0.0%	13.7%	51
Dwyfor	0.0%	9.5%	59.5%	4.8%	0.0%	26.2%	42
Meirionnydd	0.0%	4.1%	42.9%	18.4%	4.1%	30.6%	49
The whole of Gwynedd	1.1%	17.0%	46.8%	14.9%	3.2%	17.0%	94
All respondents	1.2%	13.8%	48.8%	13.4%	2.4%	20.3%	246

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

Overall, the majority of businesses do not expect much change in the number of workers they employ over the next 6 months, with the most stability expected by businesses operating primarily in Arfon (58.8%, N = 30) (Table 5).

A quarter of businesses operating primarily in Arfon expect an increase over the same period (25.5%, N = 13). This is the highest proportion of all districts surveyed.

The percentage of businesses in Dwyfor expecting an increase to the number of workers they employ over the next 6 months (11.9%) is substantially lower than the percentage 6 months ago (22.6%). The percentage in the other areas of operation is broadly similar to the corresponding figure 6 months ago.

Apart from in Meirionnydd, compared with 6 months ago, a higher percentage of businesses expect a decrease in the number of workers they employ. This is most apparent in Arfon, where 5.9% expect a decrease compared with 1.9% 6 months ago.

Table 5 - Expected change in the number of employees over the next 6 months by main area of operation

Area of Operation	Number of employees					N/A	N =
	Increase a lot	Increase a little	No Change	Decrease a little	Decrease a lot	No Answer	
Arfon	3.9%	21.6%	58.8%	5.9%	0.0%	9.8%	51
Dwyfor	0.0%	11.9%	52.4%	7.1%	4.8%	23.8%	42
Meirionnydd	0.0%	14.3%	51.0%	2.0%	2.0%	30.6%	49
The whole of Gwynedd	1.1%	19.1%	55.3%	8.5%	1.1%	14.9%	94
All respondents	1.2%	17.5%	55.3%	6.1%	1.6%	18.3%	246

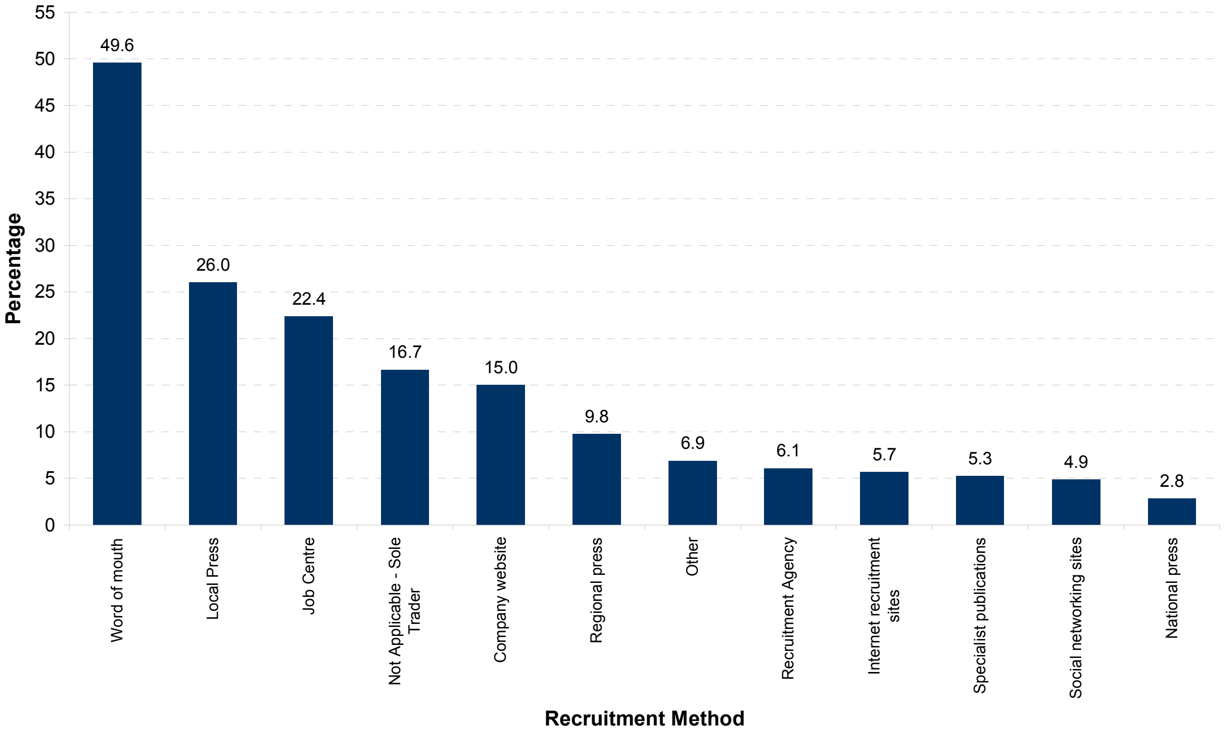
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

Section C – Recruitment and Training

The most common means of recruiting staff is by word of mouth (49.6%, N = 122), followed by advertising in the local press (26.0%, N = 64) or at the Job Centre (22.4%, N = 55). The least common forms of recruitment are using 'Head Hunters' (0.4%, N = 1), advertising in the national press (2.8%, N = 7) or using social networking sites (4.9%, N = 12).

Apart from advertising in the national press, the percentage noting that they use the various recruitment methods is similar to, if not slightly higher than, 6 months ago. Businesses appear to be readier to recruit, or more likely, they are readier to use alternative recruitment methods.

Figure 5 – The most common form of recruitment method used by Gwynedd businesses is recruitment by word of mouth



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246

Note: This question was a multiple-choice question where more than one answer could be chosen

Table 6 – Business in Gwynedd usually recruit staff by 'word of mouth'

Method of Recruitment	Percentage				
	All respondents	Area of Operation			
		Arfon	Dwyfor	Meirionnydd	Whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
Word of mouth	49.6%	52.9%	50.0%	38.8%	55.3%
Local Press	26.0%	29.4%	21.4%	20.4%	29.8%
Job Centre	22.4%	25.5%	21.4%	24.5%	20.2%
Company website	15.0%	13.7%	4.8%	18.4%	19.1%
Regional press	9.8%	15.7%	7.1%	6.1%	9.6%
Other	6.9%	5.9%	7.1%	12.2%	5.3%
Recruitment agency	6.1%	7.8%	4.8%	2.0%	7.4%
Internet recruitment sites	5.7%	5.9%	7.1%	4.1%	5.3%
Specialist publications	5.3%	3.9%	2.4%	6.1%	5.3%
Social networking sites	4.9%	3.9%	0.0%	8.2%	6.4%
National press	2.8%	2.0%	4.8%	2.0%	3.2%
Head Hunters	0.4%	0.0%	0.0%	0.0%	1.1%
Not Applicable – Sole Trader	16.7%	15.7%	19.0%	22.4%	13.8%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13
Note: This question was a multiple-choice question where more than one answer could be chosen
Note: 10 respondents did not state in which area they primarily operate

The trend of primary recruiting staff through word of mouth is the most common form of recruitment across all areas of Gwynedd as seen in Table 6. Not one business which operates primarily in Arfon, Dwyfor or Meirionnydd stated that they use head hunters as a form of recruiting.

In comparison to the average response rate, a much higher proportion of businesses that operate primarily in Arfon use the regional press (15.7%, Average = 9.8%),to recruit staff.

Compared to Arfon, Meirionnydd and the whole of Gwynedd, businesses that primary operate in Dwyfor are far less likely to use the company website (4.8%, Average = 15.0%) to recruit staff.

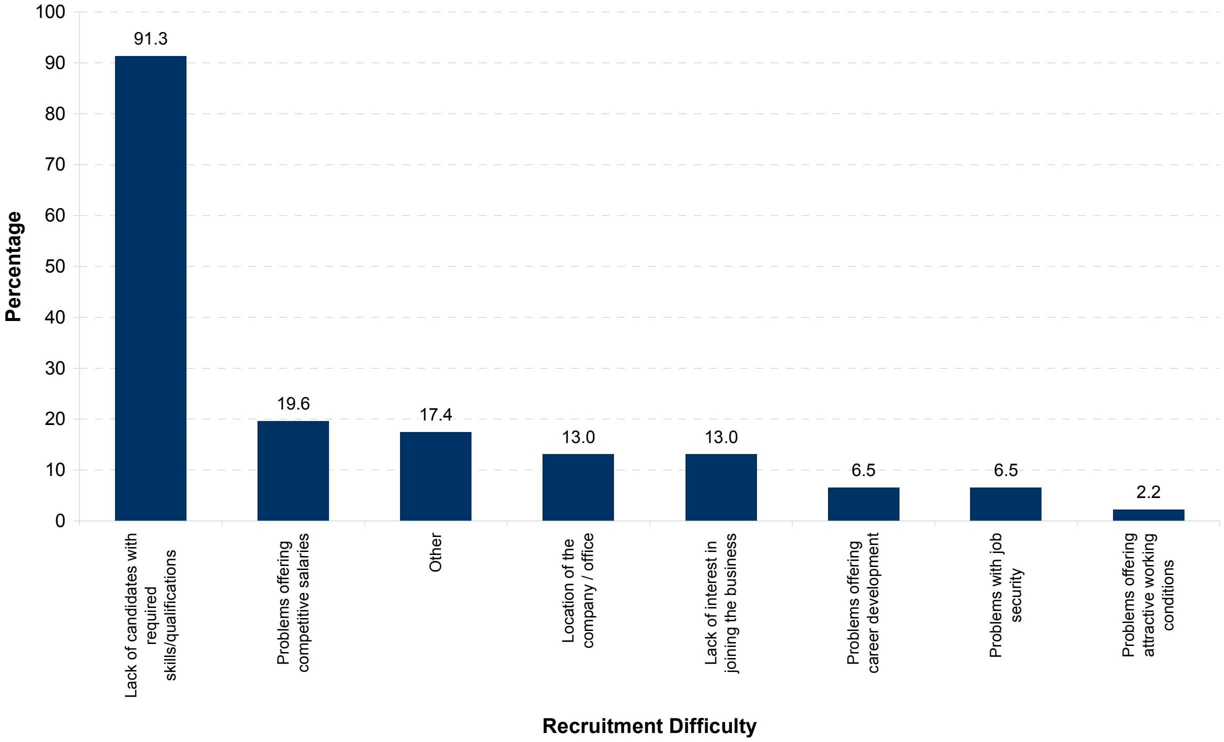
The use of online recruitment methods continues to grow.

Nearly a fifth of businesses (18.7%, N = 46) stated that they had difficulties in recruiting staff, which is a decrease since the previous survey (22.4%, N = 66). Of these, and as seen from Figure 6, the main difficulty is the lack of candidates with the required skills / qualifications (91.3%, N = 42) – this is the main difficulty in terms of recruitment across Wales as identified by Future Skills Wales (FSW) in their survey 2005 Sector Skills (March 2006).

If anything, the Gwynedd Business Survey suggests that a lack of candidates with the required skills / qualifications is an increasing problem, whilst other factors such as being able to offer competitive salaries and a lack of interest in joining the business are becoming less of a problem when recruiting. Nearly a fifth of respondents (19.6%, N = 9) stated that offering competitive salaries created difficulties in recruiting staff.

Of those respondents who stated that they were facing difficulties in recruiting staff, 2.2% stated that this was due to problems with offering attractive working conditions (N = 1). Fewer than an eighth of respondents stated that the difficulties in recruiting staff was due to a lack of interest in joining the business or due to the location of the company / offices (13.0%, N = 6 each).

Figure 6 – The main reason over difficulties in recruiting staff is a lack of candidates with the required skills / qualifications

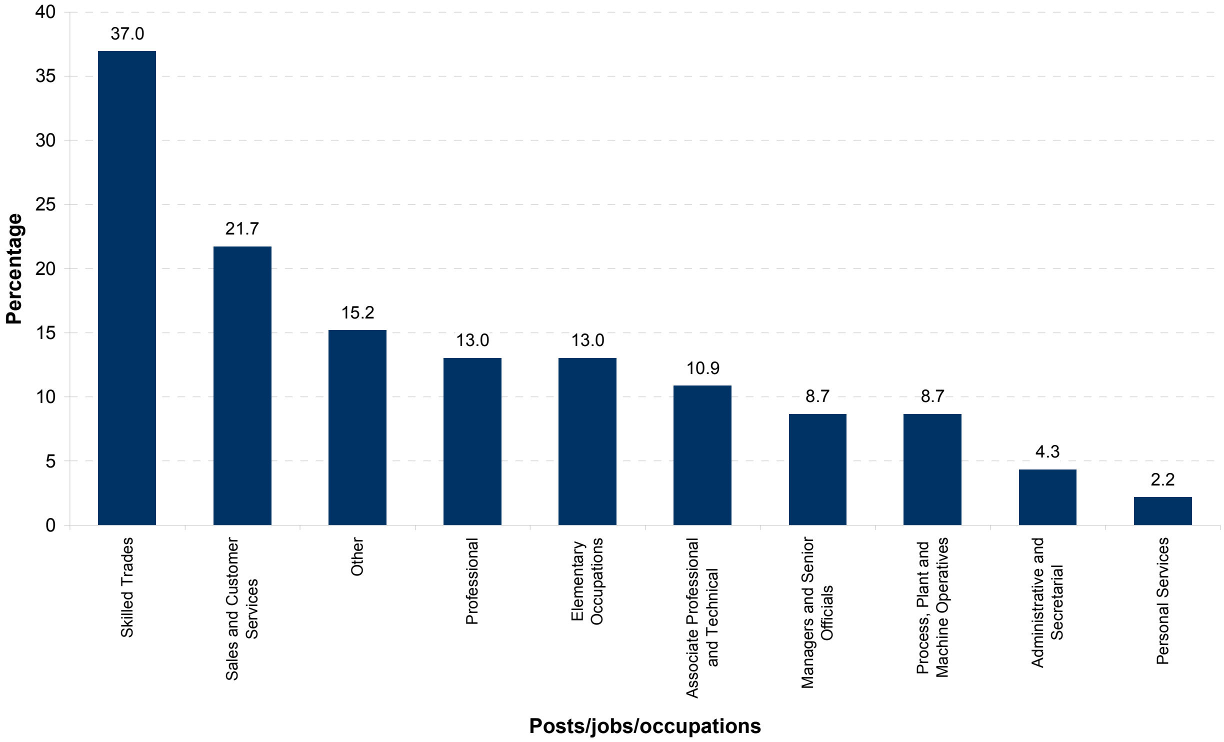


Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 46
Note: This question was a multiple-choice question where more than one answer could be chosen

Note: No further analysis of the information presented in Figure 6 could be made by main area of operation due to the small base number.

As seen from figure 7, over a third of businesses who reported having difficulties in recruiting staff noted that skilled trade posts were the most difficult to fill (37.0%, N = 17), followed by sales and customer service posts (21.7%, N = 10). The percentage noting that they have difficulty in filling other types of jobs fluctuates from one survey to the next.

Figure 7 – Skilled trades, sales and customer service are the hardest to fill jobs / occupations



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 46
Note: This question was a multiple-choice question where more than one answer could be chosen

Note: No further analysis of the information presented in Figure 7 could be made by main area of operation due to the small base number.

19.1% of respondents (N = 47) noted that they recruit 16-19 year olds directly from schools and colleges. 44.7% of these (N = 21) reported that the 16-19 year olds that they recruit had skills deficiencies. As seen from Table 7, the highest skills deficiencies among 16-19 year olds recruited were numeracy and literacy skills (57.1%, N = 12), communication skills (57.1%, N = 12) and customer handling/service skills (52.4%, N = 11). This pattern is consistent with that from the two previous surveys.

Table 7 – Numeracy and literacy, communication and customer handling/service skills are the highest deficiencies amongst 16-19 year old recruited by businesses in Gwynedd

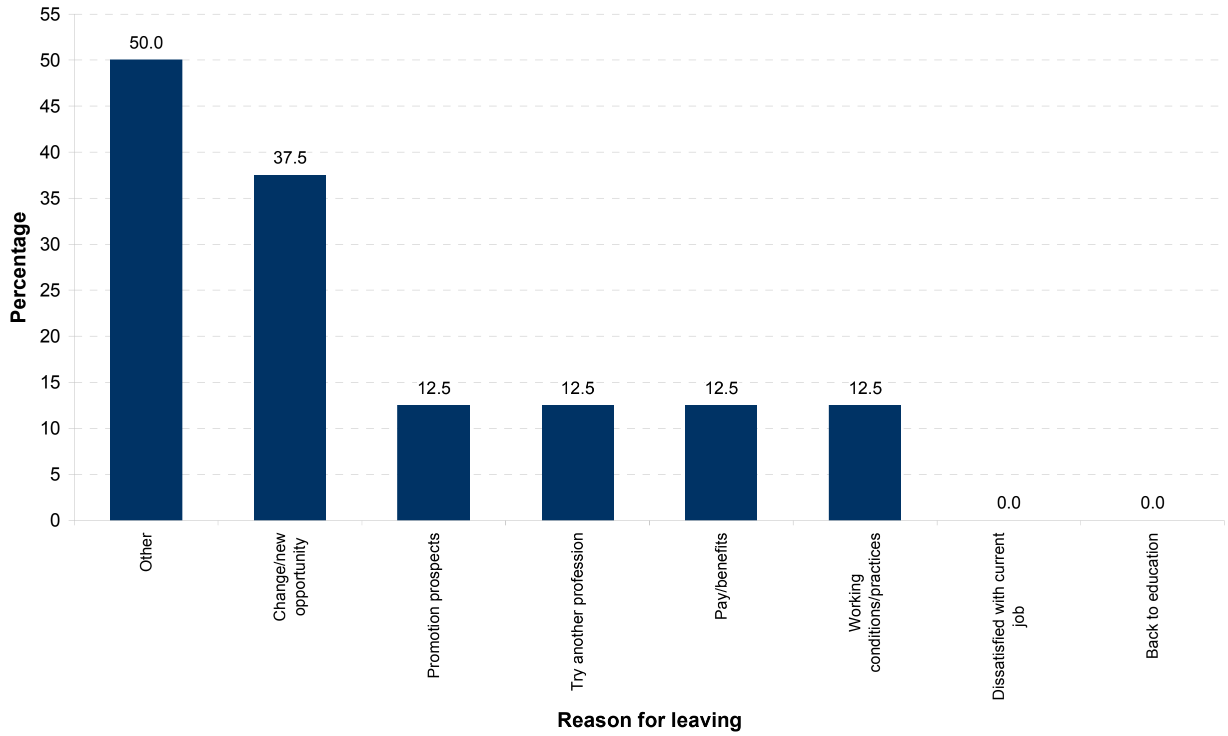
Skills Deficiencies	Percentage
Numeracy and literacy skills	57.1%
Communication skills	57.1%
Customer handling / service skills	52.4%
High level technical skills	14.3%
Team working skills	14.3%
Strategic / management skills	14.3%
Welsh Language skills	9.5%
Other	4.8%
Foreign language skills	4.8%
Advanced IT or software skills	4.8%
Basic computer literacy skills	0.0%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 21
Note: This question was a multiple-choice question where more than one answer could be chosen

Note: No further analysis of the information presented in Table 7 could be made by main area of operation due to the small base number.

Only 3.3% (N = 8) of respondents stated that they were facing difficulties in retaining staff within the business, which is a slight decrease since the previous survey (3.7%). Half of businesses (50.0%, N = 4) who reported facing difficulties in retaining staff noted that the main reasons for this was due to 'other reasons', as shown in Figure 8. No businesses noted that staff left their jobs due to being dissatisfied with their current job or to go back to education.

Figure 8 – Other reasons are the main reason why staff leave their job



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 8
Note: This question was a multiple-choice question where more than one answer could be chosen

Note: No further analysis of the information presented in Figure 8 could be made by main area of operation due to the small base number.

A fifth of respondents (20.3%, N = 50) reported having skills gaps in their current workforce. As shown in Table 8, over a third (34.0%, N = 17) of those businesses that stated a skills gap in their current workforces stated that customer handling / service skills was the main skills gap.

Over a quarter also noted that communication skills (32.0%, N = 16) and advanced IT or software skills (30.0%, N = 15) are also rare in the current workforce of Gwynedd businesses.

Although based on a fairly small number of responses, a worrying trend is that the breadth of the skills gap is increasing. For example, at least 22.0% state a skills gap against 8 of the 11 skills listed in Table 8. This compares with: 6 months ago = 5/11, a year ago = 3/11, 18 months ago = 2/11 and 2 years ago = 4/11.

Table 8 – Customer handling / service skills are the main skills gap within the present workforce of businesses

Present Skills Gap	Percentage
Customer handling / service skills	34.0%
Communication skills	32.0%
Advanced IT or software skills	30.0%
Numeracy and literacy skills	24.0%
Welsh Language skills	24.0%
High level technical skills	22.0%
Other	22.0%
Strategic / management skills	22.0%
Basic computer literacy skills	18.0%
Team working skills	10.0%
Foreign language skills	2.0%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 50
Note: This question was a multiple-choice question where more than one answer could be chosen

Note: No further analysis of the information presented in Table 8 could be made by main area of operation due to the small base number.

Among the barriers to accessing training, the cost of training and lack of time were noted as the biggest barriers (36.6%, N = 90 and 35.8%, N = 88 respectively), as shown in Table 9.

Table 9– Respondents are split in terms of the barriers to accessing training

Barrier	Response (Percentage)		
	Yes	No	No Answer
Cost of training	36.6%	21.1%	42.3%
Travel costs	24.4%	30.5%	45.1%
Lack of suitable training courses	26.0%	28.5%	54.5%
Time	35.8%	21.1%	56.9%
Other	1.2%	16.3%	82.5%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 - 13, N = 246

As seen from Table 10, there are not huge differences between main areas of operation in terms of barriers to training.

Table 10 – Barriers to training by area of operation

Barrier	All Respondents	Percentage Area of Operation: Arfon	Dwyfor	Meirionnydd	The whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
Cost of training	36.6%	33.3%	35.7%	34.7%	42.6%
Travel costs	24.4%	19.6%	23.8%	28.6%	26.6%
Lack of suitable training courses	26.0%	37.3%	23.8%	26.5%	21.3%
Time	35.8%	31.4%	38.1%	36.7%	39.4%
Other	1.2%	0.0%	0.0%	2.0%	2.1%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

As seen in Table 11, the most common response by Gwynedd businesses (34.6%, N = 85) is that they use or have used private training providers as their main training organisations. This is also the trend across all areas of operation.

Compared with every other area, only a small percentage of businesses that operate mainly in Meirionnydd use Coleg Menai (2.0%, N = 1) and Bangor University (8.2%, N = 4) for training. It is likely that the location of these training providers is a factor for businesses in Meirionnydd.

Table 11 – Use of training organisations by main area of operation

Training Organisation	Percentage: All respondents	Are of Operation: Arfon	Dwyfor	Meirionnydd	The whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
Private training providers	34.6%	31.4%	28.6%	30.6%	40.4%
None of these	18.3%	27.5%	23.8%	18.4%	11.7%
Coleg Menai	16.7%	21.6%	19.0%	2.0%	20.2%
Bangor University	15.9%	13.7%	16.7%	8.2%	20.2%
Coleg Meirion-Dwyfor	14.6%	7.8%	14.3%	26.5%	11.7%
Professional institutes	13.0%	13.7%	9.5%	8.2%	17.0%
Hyfforddiant Gwynedd	10.6%	7.8%	9.5%	12.2%	10.6%
Other	8.5%	9.8%	7.1%	10.2%	7.4%
Other private sector organisations	7.7%	3.9%	4.8%	12.2%	9.6%
Coleg Harlech WEA	3.7%	2.0%	4.8%	6.1%	3.2%
North Wales and West Cheshire Chamber of Commerce	1.6%	2.0%	0.0%	0.0%	3.2%
Trade Union	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

Section D – Business Growth and Intentions

Over the last 6 months, and excluding seasonal variations, 33.7% (N = 83) of businesses stated that their business activities had not changed, whilst 18.3% (N = 45) saw an improvement and 22.4% saw a deterioration (N = 55).

In terms of main areas of operation, businesses operating primarily in Arfon have experienced the greatest stability, with 45.1% (N = 23) stating that their business operations have not changed over the last 6 months.

Business oprating promarily in Meirionnydd have witnessed the greatest deterioration, with 38.6% (N = 19) noting that their business operations have worsenned over the last 6 months.

Businesses operating primarily in Arfon have witnessed the highest proportion of improvement in terms of business operations over the last 6 months (21.6%, N = 11).

Table 12 – Changes in business operations over the last 6 months by main area of operation

Business Operations	Percentage				
		Area of Operation			
	All Respondents	Arfon	Dwyfor	Meirionnydd	The whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
Improved	18.3%	21.6%	14.3%	10.2%	21.3%
Remained stable	33.7%	45.1%	35.7%	22.4%	34.0%
Deteriorated	22.4%	15.7%	23.8%	38.8%	17.0%
No Answer	25.6%	17.6%	26.2%	28.6%	27.7%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

As seen in Table 13, excluding seasonal variations, 39.0% (N = 96) of Gwynedd businesses do not anticipate that their business operations will change over the next 6 months, whilst 13.0% (N = 32) expect a decline and 22.4% (N = 55) expect an improvement.

Although not quite as favourable as six months ago, the picture is still considerably more optimistic in terms of expected change to business activity when compared to the previous three surveys (covering the previous 18 months).

When compared to the last survey, the proportion of businesses expecting no change has decreased slightly from 39.7% to 39.0%, whilst the proportion expecting deterioration in business activity has declined from 13.9% to 13.0%. The proportion of businesses expecting an improvement for the next 6 months has decreased slighlty from 26.4% to 22.4%.

Half of business operating primarily in Arfon (52.9%, N = 27) do not expect their business operations to change over the next 6 months.

Those who operate primarily in Dwyfor are the most pessimistic about the next 6 months, with nearly a quarter (23.8, N = 10) expecting business operations to deteriorate, whilst those operating across the whole of Gwynedd are the most optimistic, with a quarter (25.5%, N = 24) expecting an improvement. This is a similar trend to the previous survey which covered the period October 2011 to March 2012.

Table 13 – Expected change in business operations over the next 6 months by main area of operation

Business Operations	Percentage				
		Area of Operation			
	All Respondents	Arfon	Dwyfor	Meirionnydd	The whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
Improve	22.4	23.5	19.0	18.4	25.5
Remain stable	39.0	52.9	31.0	32.7	38.3
Deteriorate	13.0	7.8	23.8	18.4	8.5
No Answer	25.6	15.7	26.2	30.6	27.7

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

As seen from Table 14, the majority of businesses (46.3%, N = 114) have not undertaken any of the actions listed over the last 6 months – this is also true for each of the main areas of operation.

In terms of the actions noted that have been undertaken over the last 6 months, employing more contract/temporary workers has been the most popular among businesses that operate mainly across the whole of Gwynedd (13.8%, N = 13) and in Arfon (13.7%, N = 7). Employing more permanent workers has been the most popular among businesses that operate mainly in Dwyfor (14.3%, N = 6), whilst increasing the working hours of some / all workers has been the most popular among businesses in Meirionnydd (16.3%, N = 8).

Table 14– Actions undertaken in the last 6 months by main area of operation

Action	Percentage				
	All Respondents	Area of Operation			
		Arfon	Dwyfor	Meirionnydd	The whole of Gwynedd
	N = 246	N = 51	N = 42	N = 49	N = 94
None of these	46.3%	47.1%	45.2%	49.0%	45.7%
Employ more contract / temporary workers	12.2%	13.7%	9.5%	10.2%	13.8%
Increase the working hours for all or some workers	10.2%	9.8%	7.1%	16.3%	9.6%
Employ more permanent workers	9.3%	13.7%	14.3%	4.1%	6.4%
Other	3.7%	5.9%	4.8%	2.0%	2.1%
Reinstate pay and/or benefits which were previously forzen	2.4%	3.9%	4.8%	0.0%	2.1%
Reinstate pay and/or benefits which were previously cut	0.8%	0.0%	2.4%	0.0%	1.1%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
Note: 10 respondents did not state in which area they primarily operate

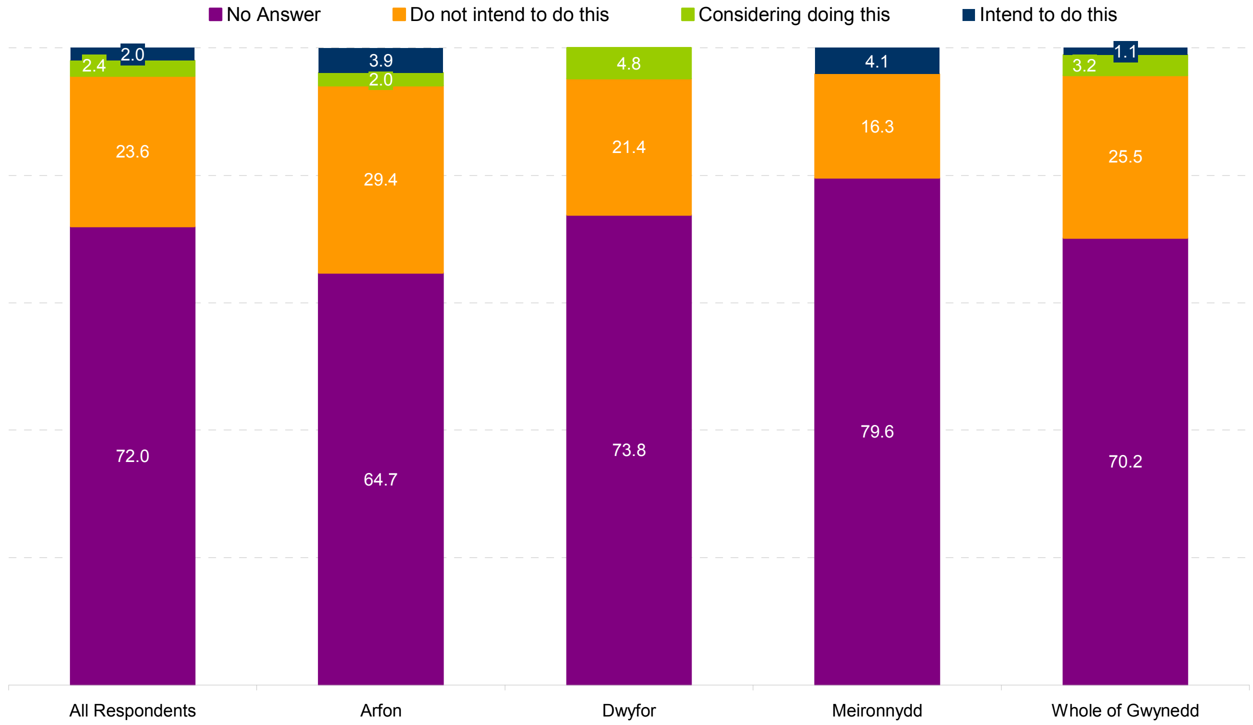
The majority of respondents do not intend undertaking any of the listed actions over the next 6 months, as seen from Table 15. On the whole, this trend is also true by main area of operation, as seen from Figures 9 to 13.

Table 15 – Possible actions over the next 6 months

Action	Percentage			
	Intend to do	Considering doing this	Do not intend to	No Answer
Reinstate pay and/or benefit freezes	2.0%	2.4%	23.6%	72.0%
Reinstate pay and/or benefit cuts	0.8%	0.8%	23.2%	75.2%
Increase the working hours for all or some workers	2.4%	6.9%	22.8%	67.9%
Employ more permanent workers	4.9%	10.6%	22.4%	62.2%
Employ more contract / temporary workers	6.1%	12.2%	19.9%	61.8%

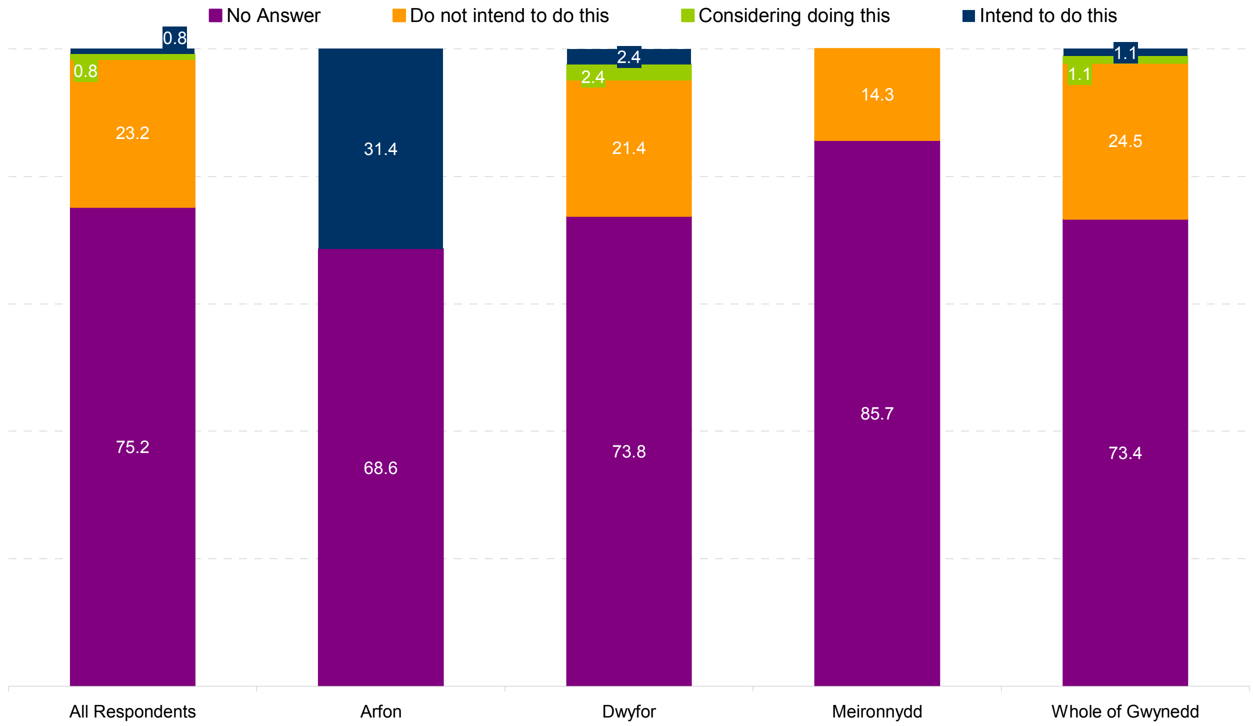
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 246

Figure 9 - Actions over the next 6 months - Reinstate pay and/or benefit freezes



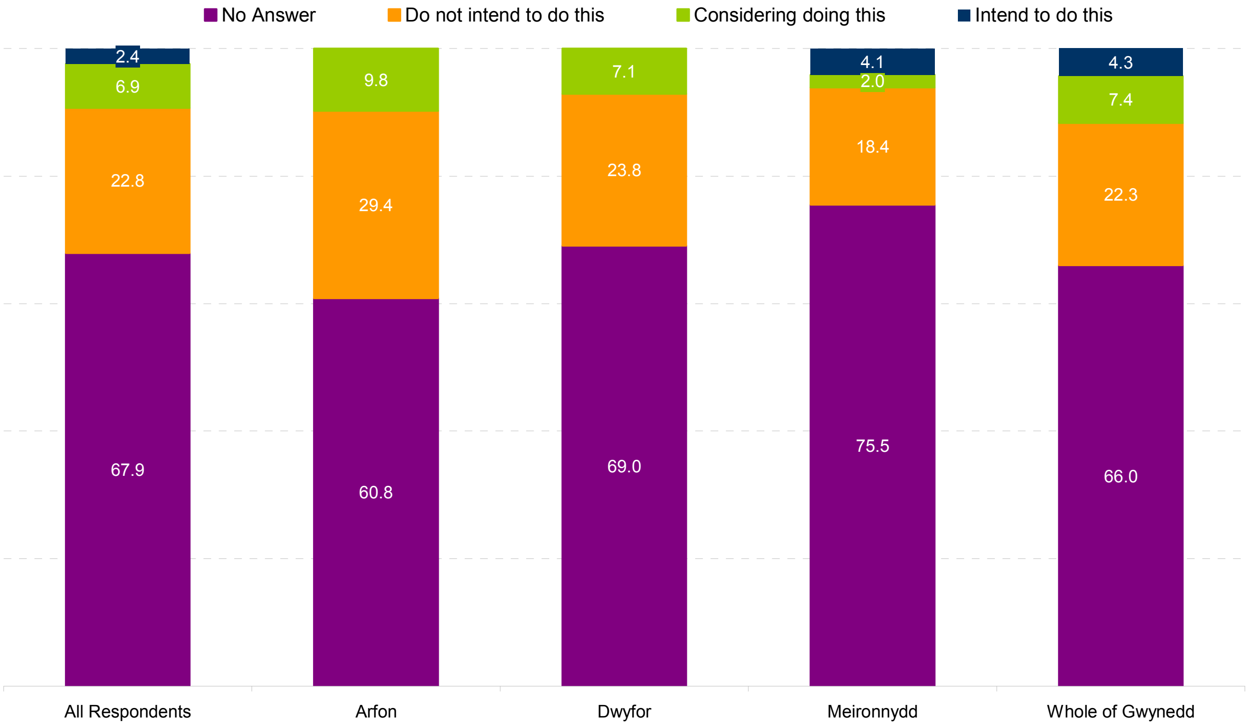
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 10 - Actions over the next 6 months - Reinstate pay and/or benefit cuts



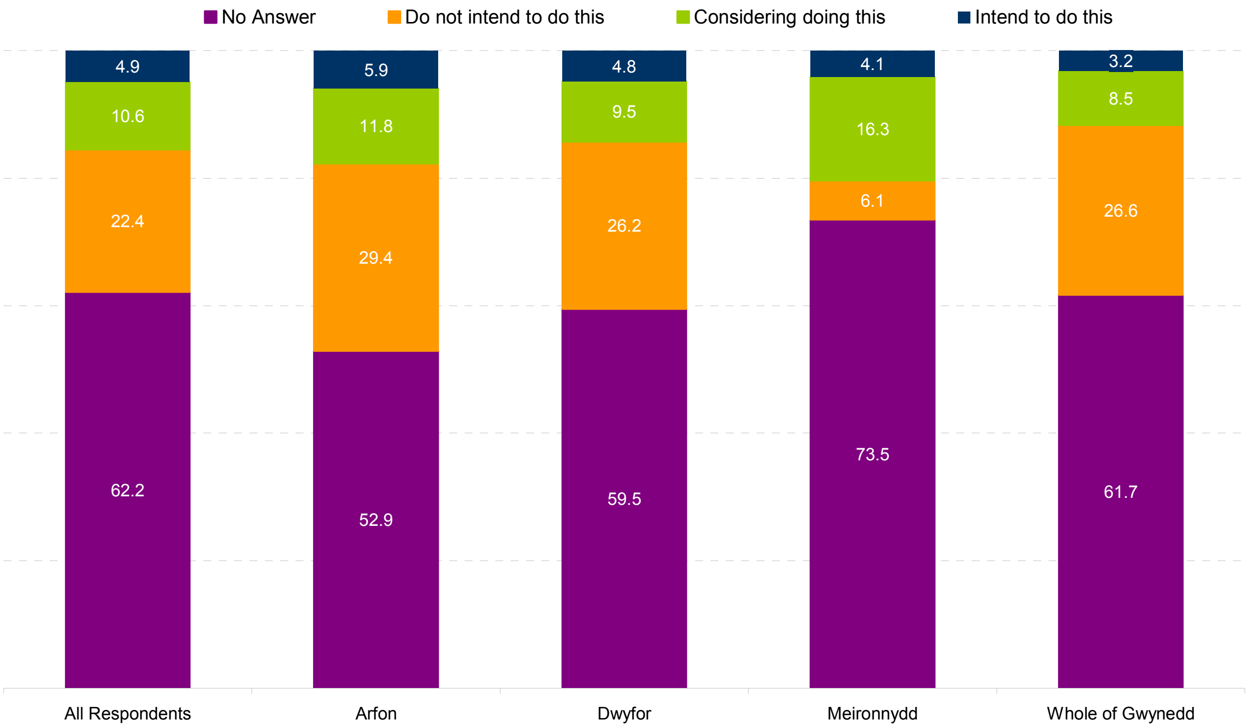
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 11 - Actions over the next 6 months - Increase the working hours for all or some workers



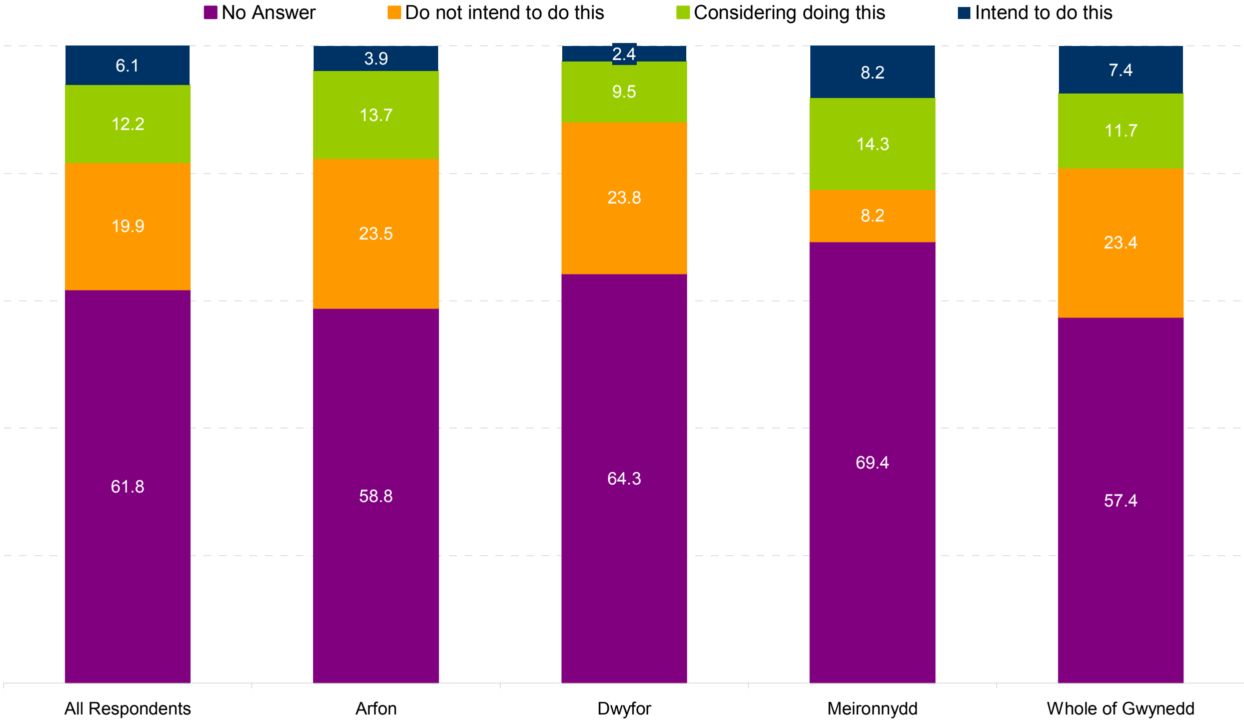
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 12 - Actions over the next 6 months - Employ more permanent workers



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 13 - Actions over the next 6 months - Employ more contract/temporary workers



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

For those for whom the question was relevant, generally, levels of investment are not expected to change in the next 6 months compared with the last 6 months.

One of every five respondents (20.3%, N = 50) expect to invest more in marketing and sales over the next 6 months compared with the last 6 months. Apart from businesses serving the whole of Gwynedd, this is the area in which the highest proportion of businesses anticipate investing more compared with the last 6 months across all geographical areas. Compared with 6 months ago, fewer businesses apart from those serving Meirionnydd are now looking to increase investment in this area.

The area with the highest proportion (12.6%, N = 31) of respondents anticipating lower investment over the next 6 months compared with the last 6 months is in plant and machinery.

The lowest proportion of businesses anticipating increased investment is witnessed amongst those mainly operating in Dwyfor or in Meirionnydd.

Although investment over the next 6 months compared to the last 6 months is generally set to be fairly stable across all areas in Gwynedd, the mood appears to be fairly similar to 6 months ago, and more positive than over the previous survey periods. The 'net' percentage foreseeing more

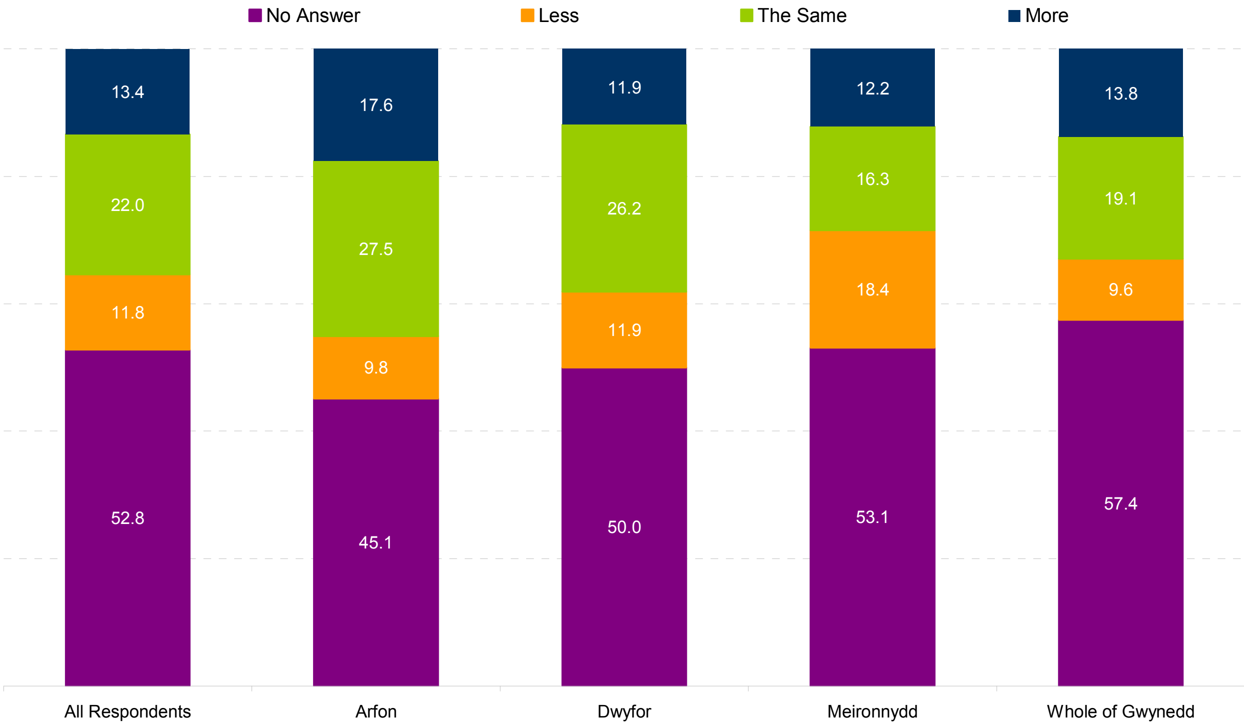
rather than less investment in capital (i.e. buildings and plant and machinery) and in product and process development is at its highest over the last two years.

Table 16 – Generally, levels of investment are expected to be same over the next 6 months compared to the last 6 months on various business issues

Area of investment	Level of investment – Percentage			
	More	The same	Less	No Answer
Buildings	13.4%	22.0%	11.8%	52.8%
Plant and machinery	14.6%	23.2%	12.6%	49.6%
Product and process development	12.6%	18.7%	9.8%	58.9%
Marketing and sales	20.3%	26.8%	8.1%	44.7%
Training	11.4%	30.1%	8.5%	50.0%

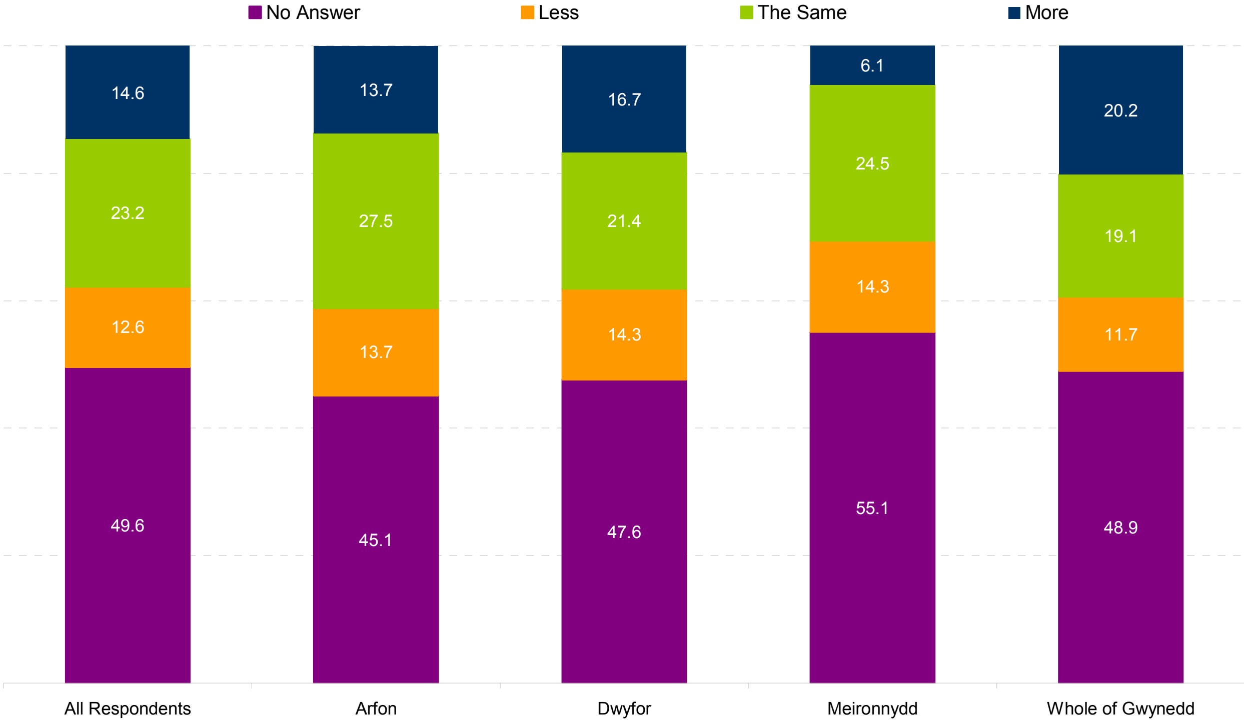
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 246

Figure 14 - Levels of investment - Buildings



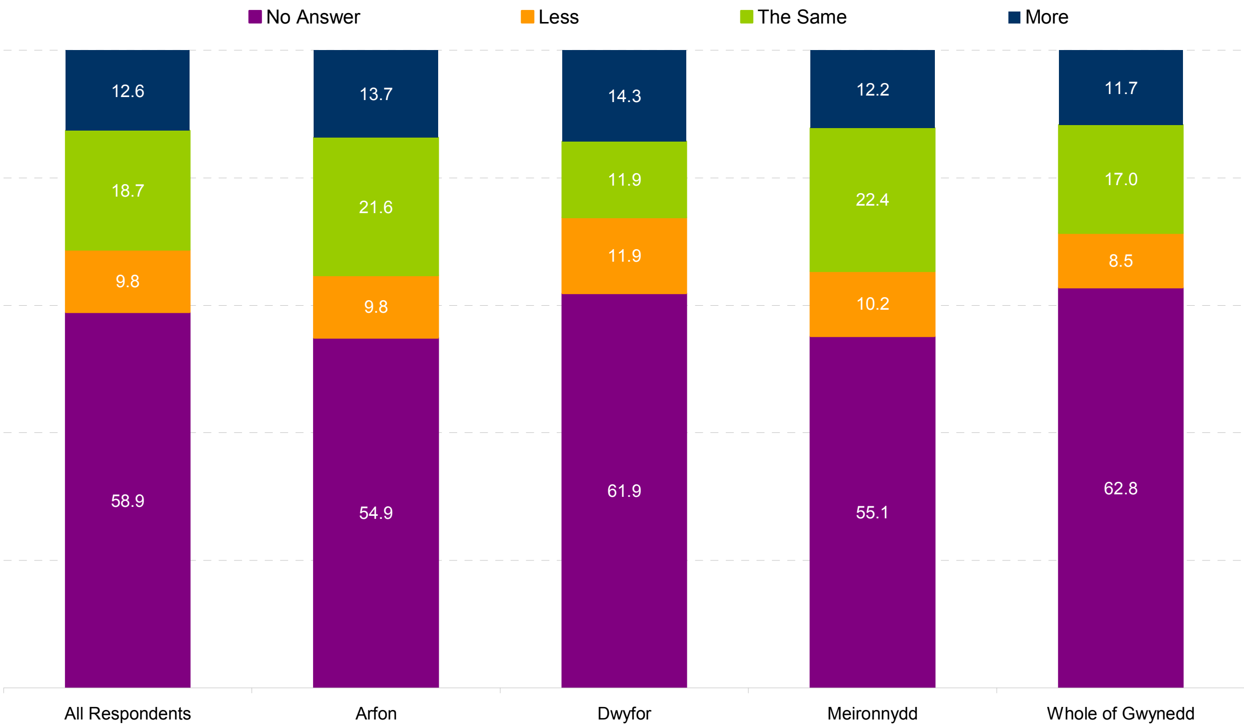
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 15 - Levels of investment – Plant and machinery



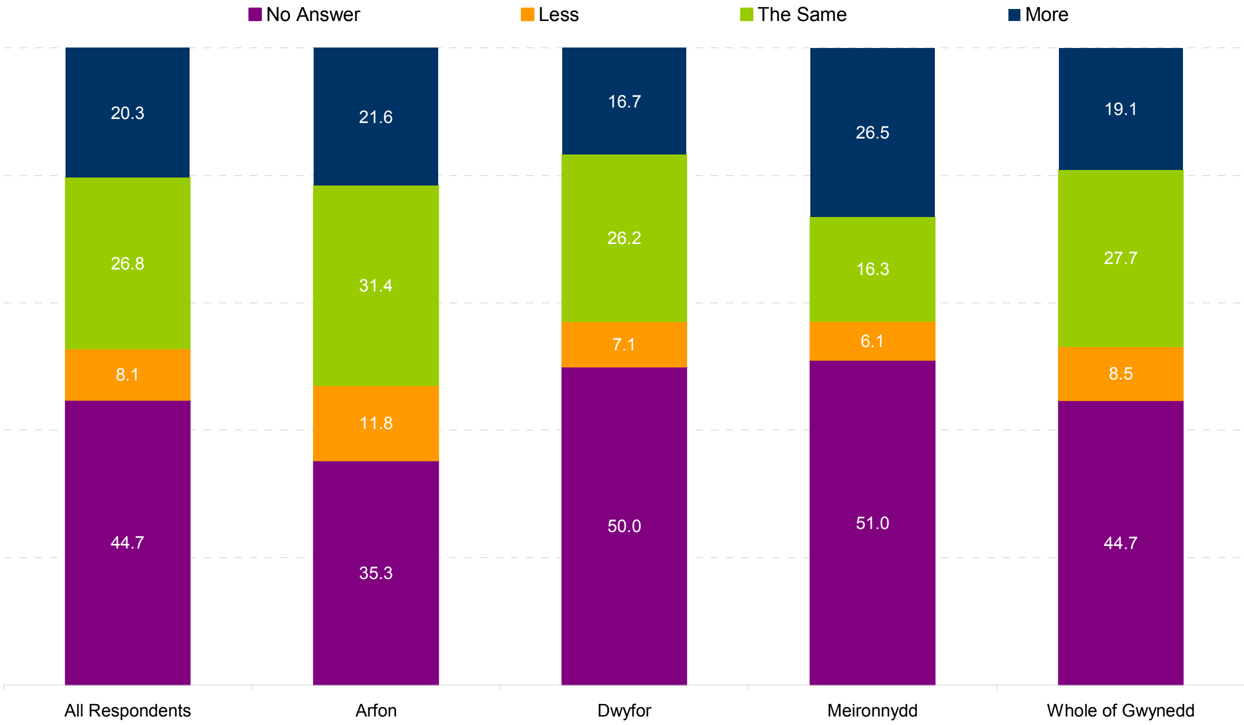
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 16 - Levels of investment – Product and process development



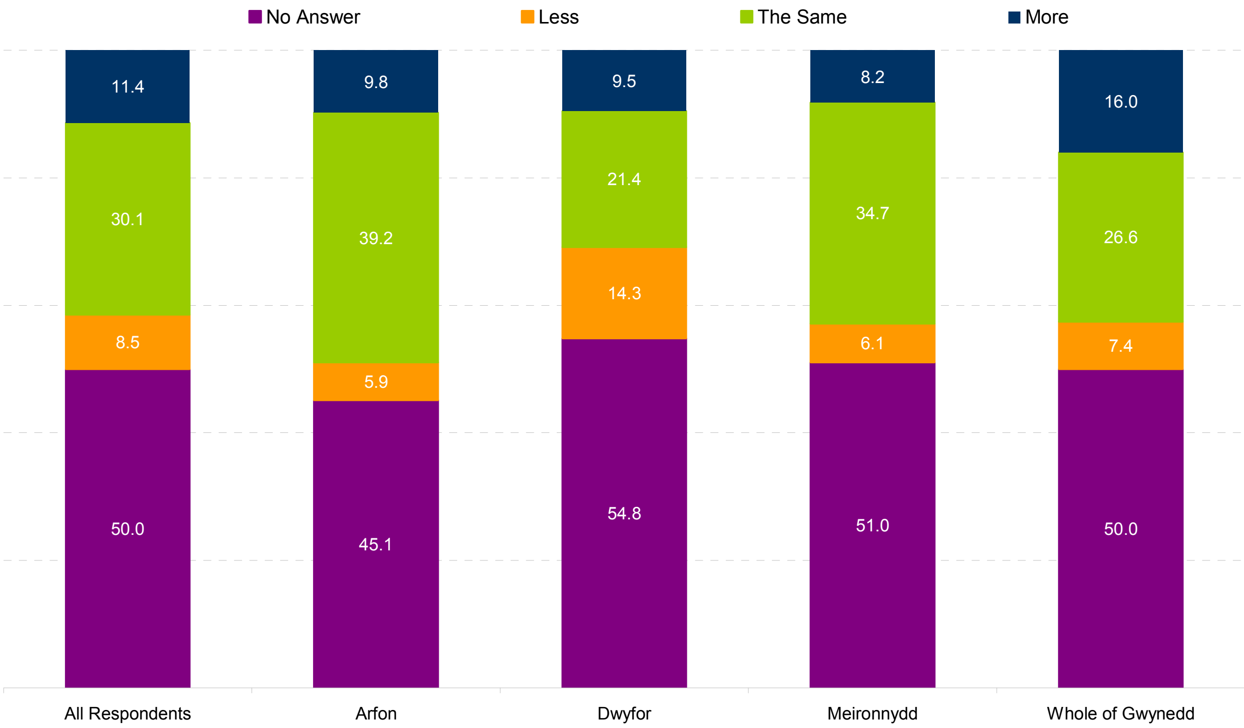
Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 17 - Levels of investment – Marketing and sales



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Figure 18 - Levels of investment – Training



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 -13
All Respondents N = 246; Arfon N = 51; Dwyfor N = 42; Meirionnydd N = 49; Whole of Gwynedd N = 94

Generally, trends are expected to be the same for the next 6 months for various business activities, as shown in Table 17. However, prices charged to customers are expected to be higher (12.2%, N = 30), whilst profit margins are expected to be lower (25.6%, N = 63).

Table 17 – Generally, trends are expected to be the same for the next 6 months for various business activities

Area of trend	Expected Trend			
	Higher	**The same**	**Lower**	**Not Applicable**
Confirmed orders	13.4%	27.2%	12.2%	47.2%
Prices charged to customers	12.2%	41.9%	7.3%	38.6%
Profit margins	7.3%	26.8%	25.6%	40.2%
Time taken for customers to pay their invoces	11.8%	37.4%	6.9%	43.9%
Credit terms	2.8%	38.6%	4.5%	54.1%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 246

As seen in Tables 18 to 21, the opinion of businesses operating primarily in Arfon varies the most in terms of changes to profit margins over the next 6 months, with the highest percentages of all areas expecting an increase (11.5%, N = 6) or a decrease (38.5%, N = 20). The opinion of businesses operating across the county varies the most in terms of changes to the number of confirmed orders ('more' 24.7%, N = 22, 'fewer' 15.7%, N = 14), prices for customers ('higher' 20.2%, N = 22, 'lower' 14.6%, N = 13), time it takes for customers to pay their invoices ('more' 14.6%, N = 13, 'less' 9.0%, N = 8) and credit terms ('better' 2.2%, N = 2, 'worse' 7.9%, N = 7). Businesses operating primarily in Arfon appear to be most positive on the whole.

Table 18 – Expected trend over the next 6 months, Arfon

Area of Trend	Expected Trend – Percentage			
	Higher	The Same	Lower	No Answer
Confirmed orders	11.8%	45.1%	9.8%	33.3%
Prices charged to customers	11.8%	54.9%	9.8%	23.5%
Profit margins	11.8%	31.4%	29.4%	27.5%
Time taken for customers to pay their invoces	9.8%	56.9%	3.9%	29.4%
Credit terms	0.0%	51.0%	3.9%	45.1%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 51

Table 19 – Expected trend over the next 6 months, Dwyfor

Area of Trend	Expected Trend – Percentage			
	Higher	The Same	Lower	No Answer
Confirmed orders	9.5%	26.2%	14.3%	50.0%
Prices charged to customers	14.3%	28.6%	16.7%	40.5%
Profit margins	4.8%	23.8%	31.0%	40.5%
Time taken for customers to pay their invoces	11.9%	31.0%	9.5%	47.6%
Credit terms	7.1%	33.3%	4.8%	54.8%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 42

Table 20 – Expected trend over the next 6 months, Meirionnydd

Area of Trend	Expected Trend – Percentage			
	Higher	The Same	Lower	No Answer
Confirmed orders	12.2%	18.4%	12.2%	57.1%
Prices charged to customers	16.3%	40.8%	0.0%	42.9%
Profit margins	8.2%	20.4%	26.5%	44.9%
Time taken for customers to pay their invoces	2.0%	36.7%	6.1%	55.1%
Credit terms	0.0%	32.7%	4.1%	63.3%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 49

Table 21 - Expected trend over the next 6 months, whole of Gwynedd

Area of Trend	Expected Trend – Percentage			
	Higher	The Same	Lower	No Answer
Confirmed orders	17.0%	24.5%	11.7%	46.8%
Prices charged to customers	9.6%	43.6%	6.4%	40.4%
Profit margins	6.4%	29.8%	21.3%	42.6%
Time taken for customers to pay their invoces	19.1%	30.9%	7.4%	42.6%
Credit terms	4.3%	37.2%	5.3%	53.2%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 94

For those where access to finance is relevant, generally businesses are a little more pessimistic in terms of access to finance in the next 6 months, compared with how they felt 6 months ago. However, they are more positive than during the three previous survey periods.

Table 22– For those where access to finance is relevant, generally businesses are a little more pessimistic in terms of access to finance in the next 6 months

Type of Finance	Expected Trend – Percentage			No Answer
	Improve	No Change	Deteriorate	
Short term borrowing	2.8%	38.6%	7.3%	51.2%
Asset and trade based borrowing	2.0%	31.7%	2.8%	63.4%
Equity	2.8%	30.5%	3.7%	63.0%
Cash flow	6.1%	23.6%	6.1%	64.2%
Business turnover	13.4%	26.8%	18.3%	41.5%
Other	21.5%	21.5%	16.3%	40.7%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 246

A broadly similar pattern is true in every area of operation.

Table 23 – Access to finance in the next 6 months, Arfon

Type of Finance	Expected Trend – Percentage			No Answer
	Improve	No Change	Deteriorate	
Short term borrowing	0.0%	45.1%	5.9%	49.0%
Asset and trade based borrowing	2.0%	35.3%	2.0%	60.8%
Equity	2.0%	35.3%	2.0%	60.8%
Cash flow	0.0%	29.4%	2.0%	68.6%
Business turnover	13.7%	41.2%	13.7%	31.4%
Other	23.5%	29.4%	13.7%	33.3%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 51

Table 24 – Access to finance in the next 6 months, Dwyfor

Type of Finance	Expected Trend – Percentage			No Answer
	Improve	No Change	Deteriorate	
Short term borrowing	7.1%	33.3%	9.5%	50.0%
Asset and trade based borrowing	2.4%	38.1%	4.8%	54.8%
Equity	2.4%	31.0%	4.8%	61.9%
Cash flow	4.8%	26.2%	9.5%	59.5%
Business turnover	9.5%	23.8%	28.6%	38.1%
Other	14.3%	23.8%	23.8%	38.1%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 42

Table 25 – Access to finance in the next 6 months, Meirionnydd

Type of Finance	Expected Trend – Percentage			No Answer
	Improve	No Change	Deteriorate	
Short term borrowing	2.0%	32.7%	6.1%	59.2%
Asset and trade based borrowing	0.0%	26.5%	4.1%	69.4%
Equity	4.1%	28.6%	6.1%	61.2%
Cash flow	6.1%	24.5%	4.1%	65.3%
Business turnover	10.2%	14.3%	28.6%	46.9%
Other	16.3%	18.4%	20.4%	44.9%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 49

Table 26 – Access to finance in the next 6 months, Whole of Gwynedd

Type of Finance	Expected Trend – Percentage			No Answer
	Improve	No Change	Deteriorate	
Short term borrowing	3.2%	42.6%	8.5%	45.7%
Asset and trade based borrowing	3.2%	30.9%	2.1%	36.2%
Equity	3.2%	29.8%	3.2%	63.8%
Cash flow	10.6%	19.1%	8.5%	61.7%
Business turnover	16.0%	28.7%	12.8%	42.6%
Other	26.6%	20.2%	12.8%	40.4%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13
N = 94

The Image of Gwynedd (32.1%, N = 79) and other factors (26.4%, N = 65) are the two main opportunities for business growth identified by businesses in Gwynedd, as seen from Figure 19. These latest figures mirror those from the last survey.

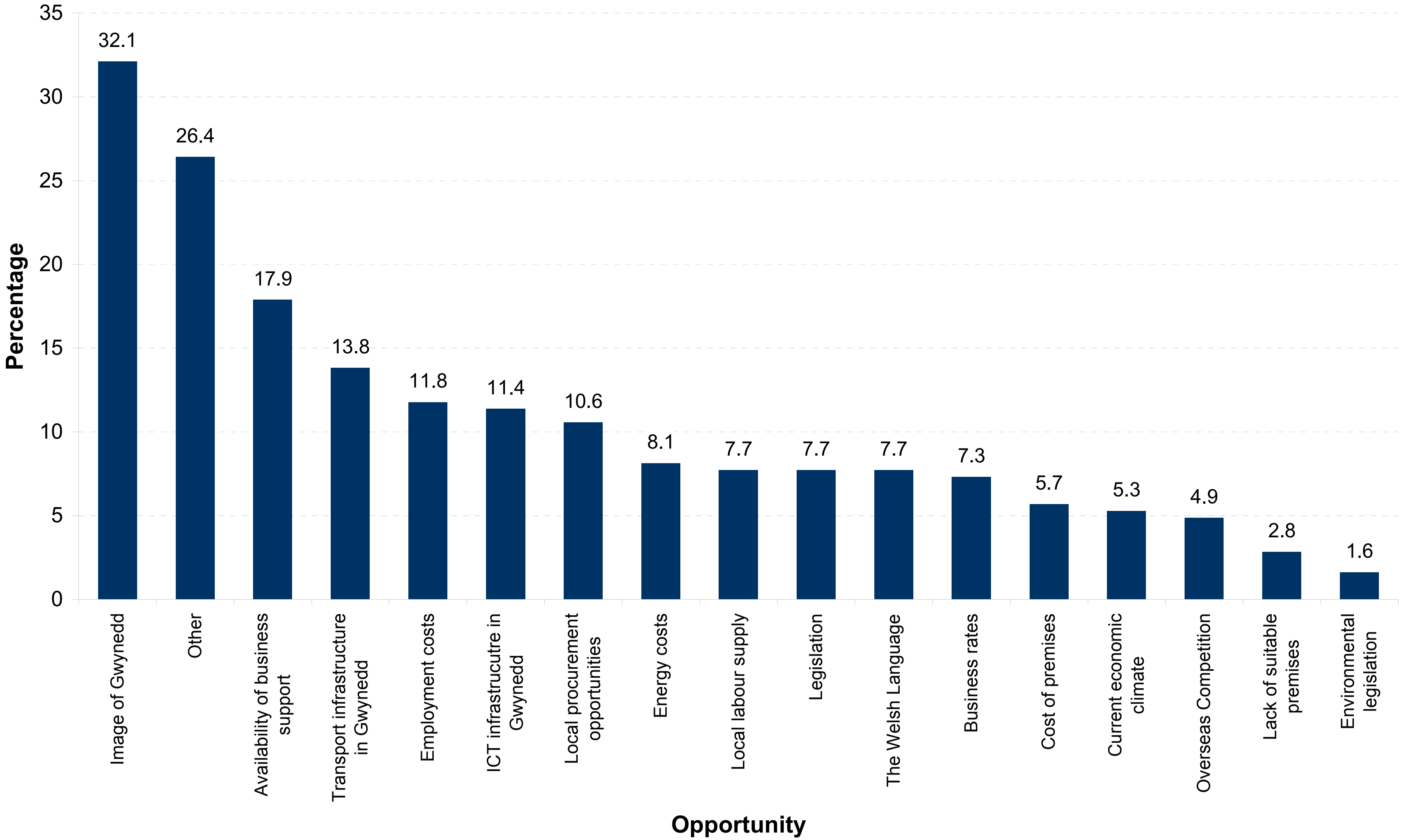
The local labour supply (46.3%, N = 114) and the current economic climate (41.9%, N = 103) are the two main barriers to business growth identified by businesses in Gwynedd, as seen from Figure 20. Again, these latest figures mirror those from the last survey.

However, over the two latest survey periods, the local labour supply, the Welsh Language and overseas competition are seen as a barrier by more businesses than over the previous 18 months, whilst energy costs are seen as a smaller barrier.

These findings in terms of growth ‘opportunities’ and ‘barriers’ suggest that businesses’ perspectives are shifting to a broader focus, probably reflecting the relatively larger nature of responding businesses over the two latest survey periods.

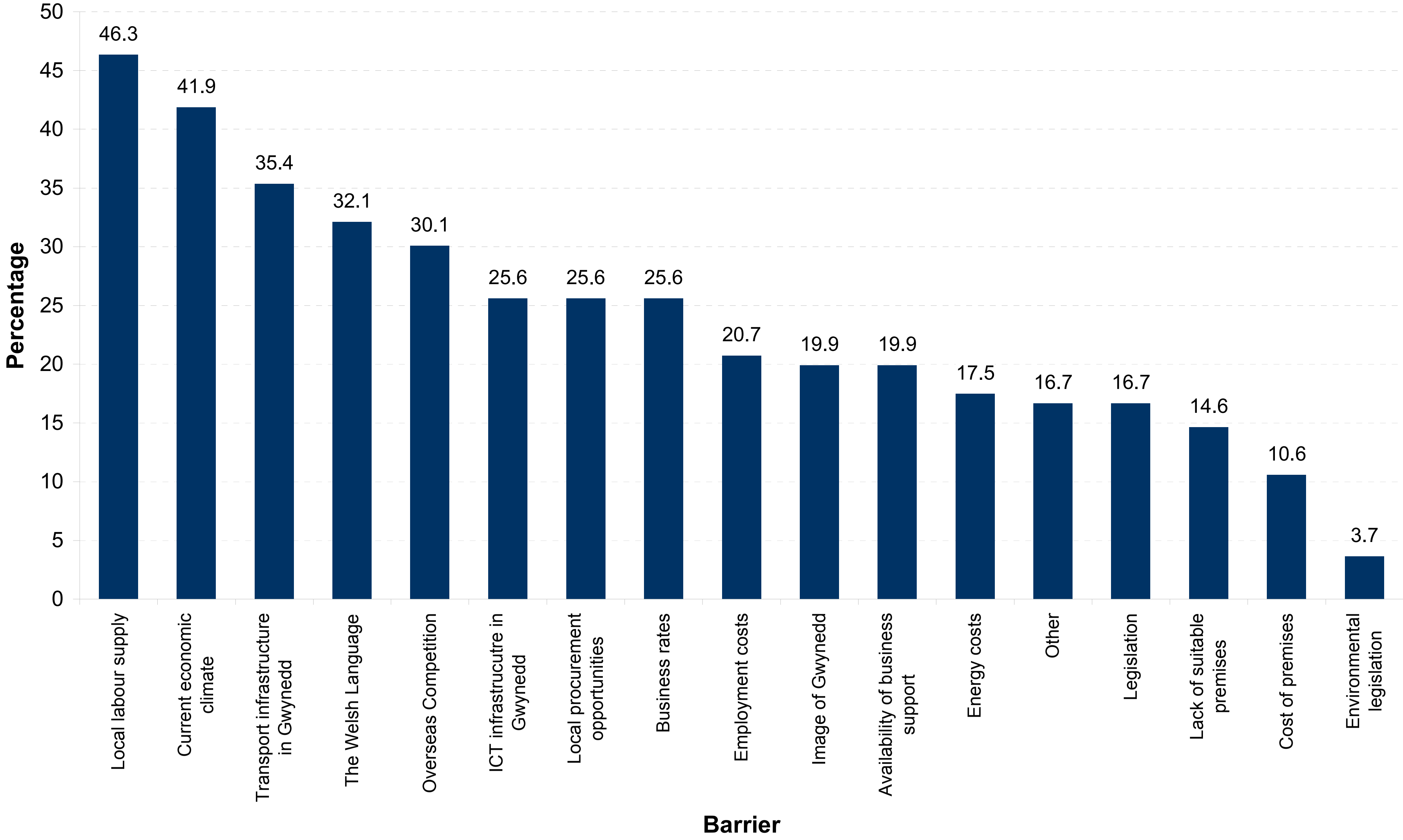
The trends here are also the general trends seen by main areas of operation, as shown in Table 27 and 28.

Figure 19 - The image of Gwynedd is the main opportunity for business growth identified by Gwynedd businesses



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13, N = 246

Figure 20 – The local labour supply is the main barrier for business growth identified by Gwynedd businesses



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13, N = 246

Table 27– Opportunity for business growth by main area of operation

Growth opportunities	Arfon		Dwyfor		Meirionnydd		Whole of Gwynedd	
	N = 51	Rank	N = 42	Rank	N = 49	Rank	N = 94	Rank
Image of Gwynedd	33.3%	1	33.3%	1	34.7%	1	33.0%	1
Other	27.5%	2	31.0%	2	24.5%	2	27.7%	2
Availability of business support	11.8%	5	19.0%	3	22.4%	3	18.1%	3
Transport infrastructure in Gwynedd	17.6%	3	11.9%	4	4.1%	11	18.1%	3
Employment costs	3.9%	10	11.9%	4	16.3%	4	13.8%	6
ICT infrastrucutre in Gwynedd	15.7%	4	7.1%	7	6.1%	8	12.8%	8
Local procurement opportunities	5.9%	7	11.9%	4	6.1%	8	14.9%	5
Energy costs	3.9%	10	7.1%	7	10.2%	5	9.6%	9
Local labour supply	3.9%	10	4.8%	12	2.0%	13	13.8%	6
Legislation	3.9%	10	7.1%	7	8.2%	6	9.6%	9
The Welsh Language	5.9%	7	7.1%	7	8.2%	6	8.5%	12
Business rates	5.9%	7	4.8%	12	6.1%	8	9.6%	9
Cost of premises	9.8%	6	2.4%	15	4.1%	11	5.3%	15
Current economic climate	3.9%	10	7.1%	7	2.0%	13	7.4%	14
Overseas Competition	3.9%	10	2.4%	15	2.0%	13	8.5%	12
Lack of suitable premises	2.0%	16	4.8%	12	2.0%	13	2.1%	16
Environmental legislation	2.0%	16	0.0%	17	2.0%	13	2.1%	16

Source: Research and Information Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half 2012 – 13

Note: 10 respondents did not state in which area they primarily operate

Note = 1 is the highest, 17 is the lowest

Table 28 -Barriers for business growth by main area of operation

Growth barriers	Arfon		Dwyfor		Meirionnydd		Whole of Gwynedd	
	N = 51	Rank	N = 42	Rank	N = 49	Rank	N = 94	Rank
Local labour supply	49.0%	1	50.0%	1	53.1%	1	41.5%	1
Current economic climate	41.2%	2	50.0%	1	42.9%	3	40.4%	2
Transport infrastructure in Gwynedd	31.4%	5	35.7%	3	44.9%	2	35.1%	3
The Welsh Language	37.3%	3	33.3%	4	30.6%	6	30.9%	4
Overseas Competition	35.3%	4	33.3%	4	32.7%	4	25.5%	7
ICT infrastrucutre in Gwynedd	27.5%	6	23.8%	8	28.6%	7	26.6%	5
Local procurement opportunities	25.5%	7	26.2%	6	24.5%	8	26.6%	5
Business rates	25.5%	7	23.8%	8	32.7%	4	24.5%	10
Employment costs	19.6%	11	26.2%	6	24.5%	8	18.1%	15
Image of Gwynedd	23.5%	9	16.7%	11	16.3%	10	22.3%	11
Availability of business support	19.6%	11	16.7%	11	14.3%	11	25.5%	7
Energy costs	21.6%	10	19.0%	10	4.1%	17	22.3%	11
Other	19.6%	11	11.9%	14	14.3%	11	20.2%	13
Legislation	11.8%	15	16.7%	11	6.1%	16	25.5%	7
Lack of suitable premises	19.6%	11	7.1%	15	8.2%	14	19.1%	14
Cost of premises	7.8%	16	4.8%	16	10.2%	13	13.8%	16
Environmental legislation	5.9%	17	2.4%	17	8.2%	14	1.1%	17

Source: Research and Information Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half 2012 – 13

Note: 10 respondents did not state in which area they primarily operate

Note = 1 is the highest, 17 is the lowest

19.1% (N = 47) of respondents agreed with the statement that “Gwynedd is a place where things happen”. This is a slight increase since the previous survey which covered the period October 2011 to March 2012, when the proportion was 18.3% (N = 54)

In terms of awareness of large events which are organised in Gwynedd, respondents were split similarly, with 39.0% (N = 96) being aware and 26.4% (N = 65) not being aware. Only 13.4% of respondents (N = 33) noted that they had profited from / taken advantage of opportunities related to large events within Gwynedd over the past year.

Section E – Support, advice & further information

47.6% (N = 117) of respondents were aware of industrial units / offices and land available to rent to local busnisses.

As shown in Table 29, the three subjects on which respondents have most sought advice / information in the last 6 months are grant aid (26.0%, N = 64), training (19.1%, N = 47) and business waste recycling services (17.5%, N = 43).

The three subjects on which respondents have least sought advice / information are other matters (6.5%, N = 16), premises searches (4.9%, N = 12) and information on premises or land (0.8%, N = 2).

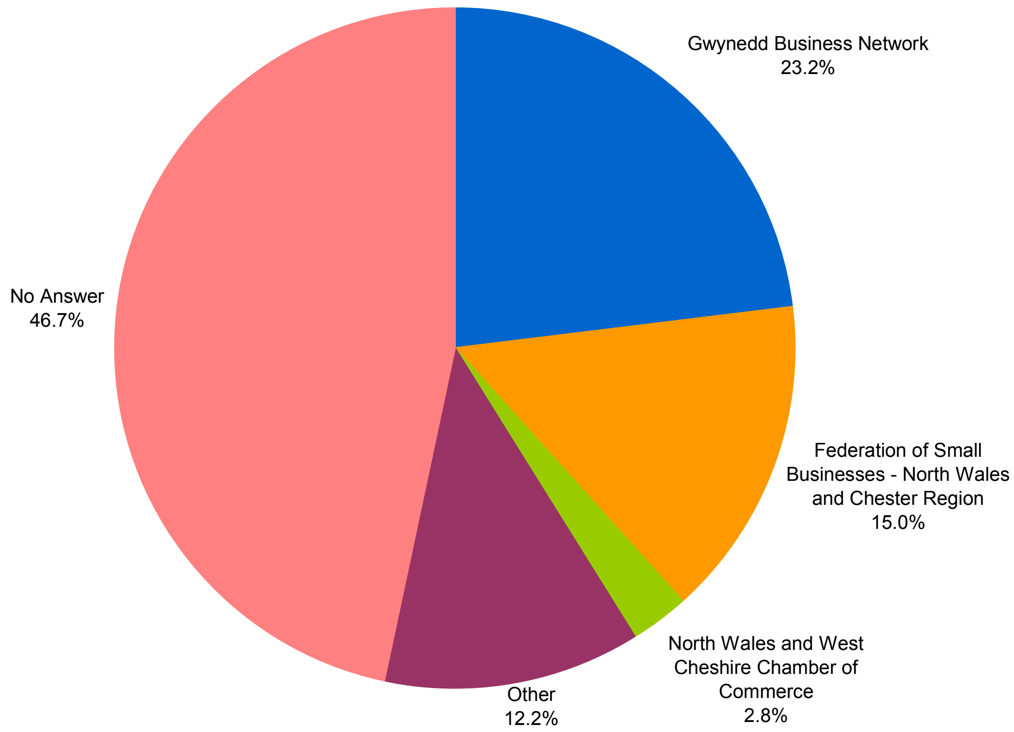
Table 29 – Grant aid is the main subject on which respondents have sought advice / information in the last 6 months

Subject	Yes	No	Wasn't Aware	No Answer
Grant Aid	26.0%	30.5%	4.9%	38.6%
Training	19.1%	33.7%	4.1%	43.1%
Business waste recycling services	17.5%	34.1%	4.9%	43.5%
Small business rate relief	14.6%	38.6%	5.7%	41.1%
Shor term assistance with specific projects	11.4%	38.6%	7.7%	42.3%
Energy reduction	11.4%	39.4%	6.5%	42.7%
Planning advice	11.0%	41.1%	4.1%	43.9%
Business planning	9.8%	43.9%	4.5%	41.9%
Recruitment advice	8.1%	41.5%	5.7%	44.7%
On-demand advice and business mentoring	7.7%	41.9%	7.3%	43.1%
Legislative advice	7.3%	41.5%	6.9%	44.3%
Other	6.5%	42.3%	4.5%	46.7%
Searching for premises	4.9%	45.5%	4.1%	45.5%
Property or land	0.8%	24.4%	1.6%	73.2%

Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13, N = 246

Over half of respondents (53.3%, N = 131) noted that they were members / regular attendees of a business network. Of these, the highest proportion were mainly members / regular attendees of the Gwynedd Business Network (23.2%, N = 57) followed by the Federation of Small Businesses (15.0%, N = 37), as shown in Figure 21 on the following page.

Figure 21 – Business networks that respondents belong to or attend regularly



Source: Corporate Research Unit, Gwynedd Council – Gwynedd Business Survey, 1st Half of 2012 – 13, N = 246

31.7% (N = 78) of respondents stated that they would like more information about the business networks listed. The contact information of these respondents will be forwarded to the Business Support Service at Gwynedd Council so that they can go on to respond in an appropriate manner.

10.2% (N = 25) of respondents stated that they would like the Business Support Service at Gwynedd Council to contact them to discuss any further advice / information that their business may require. The contact information of these respondents will be forwarded to the Business Support Service so that they may act upon these requests.

Conclusions

In terms of conclusions, the main findings are as follows:

- There has been an increase in the proportion of respondents from the professional, scientific and technical sector compared with previous survey periods.

- Nearly a quarter of respondents (24.8%, N = 61) are businesses with an annual turnover of £100,000 to £499,999 with another 17.1% with an annual turnover of less than £50,000 (N = 42). 11.0% of respondents are businesses with an annual turnover of £1m to £2m (N = 27), whilst 9.8% have an annual turnover of more than £2m (N = 24).

- For the survey conducted this time round, there was indeed a greater response from larger businesses with the number of respondents with an annual turnover of £1m to £2m having increased considerably (from a figure of 18 to 27) since the previous period, and from a figure of 12 a year ago. The number of respondents with a turnover below £50,000 has almost halved since the lasr survey (from a figure of 79 to 42).

- Around a third of respondents (31.7%, N = 78) are micro businesses in terms of size – currently employing 1 to 5 employees. This is also the ideal number of workers for the highest proportion of respondents (31.7%, N = 78). A fifth of respondents (20.7%, N = 51) were sole traders, with almost half of these (47.1%, N = 24) wanting to grow. These findings are fairly similar to those from previous surveys, although responding businesses this time around tend to be larger in size.

- Over the last 6 months, excluding seasonal variations, nearly half of businesses (48.8%, N = 120) stated no change to the number of employees in their business, whilst 15% (N = 37) stated an increase in the number of employees and 15.9% (N = 39) stated a decrease. For 11.8% (N=29) of respondents, the question was not applicable or not answered.

- Again, excluding seasonal variations, the highest proportion of businesses, over half (55.3%, N = 136), do not expect the number of employees in their business to change over the next 6 months, whilst 18.7% (N = 46) expect a slight increase in the number of employees and 7.7% (N = 19) expect a slight reduction. For 18.3% (N = 45) of respondents, the question was not applicable or not answered.

- Since the previous survey which covered the period October 2011 to March 2012, changes in the levels of employment have been fairly balanced, with the number of businesses

experiencing increases and decreases being very similar. Although businesses' outlook is positive on the whole, compared ot 6 months ago, the picture is a little less positive by now.

- The most common means of recruiting staff is by word of mouth (49.6%, N = 122), followed by advertising in the local press (26.0%, N = 64) or at the Job Centre (22.4%, N = 55). The least common forms of recruitment are using 'Head Hunters' (0.4%, N = 1), advertising in the national press (2.8%, N = 7) or using social networking sites (4.9%, N = 12).

- Apart from advertising in the national press, the percentage noting that they use the various recruitment methods is similar to, if not slightly higher than, 6 months ago. Businesses appear to be readier to recruit, or more likely, they are readier to use alternative recruitment methods.

- Nearly a fifth of businesses (18.7%, N = 46) stated that they had difficulties in recruiting staff, which is a decrease since the previous survey (22.4%, N = 66). Of these, the main difficulty is the lack of candidates with the required skills / qualifications (91.3%, N = 42). If anything, the survey suggests that a lack of candidates with the required skills / qualifications is an increasing problem, whilst other factors such as being able to offer competitive salaries and a lack of interest in joining the business are becoming less of a problem when recruiting.

- Over a third of businesses who reported having difficulties in recruiting staff noted that skilled trade posts were the most difficult to fill (37.0%, N = 17), followed by sales and customer service posts (21.7%, N = 10). The percentage noting that they have difficulty in filling other types of jobs fluctuates from one survey to the next.

- 19.1% of respondents (N = 47) noted that they recruit 16-19 year olds directly from schools and colleges. 44.7% of these (N = 21) reported that the 16-19 year olds that they recruit had skills deficiencies. The highest skills deficiencies among 16-19 year olds recruited were numeracy and literacy skills (57.1%, N = 12), communication skills (57.1%, N = 12) and customer handling/service skills (52.4%, N = 11). This pattern is consistent with that from the two previous surveys.

- Only 3.3% (N = 8) of respondents stated that they were facing difficulties in retaining staff within the business, which is a slight decrease since the previous survey (3.7%). Half of businesses (50.0%, N = 4) who reported facing difficulties in retaining staff noted that the main reasons for this was due to 'other reasons'. No businesses noted that staff left their jobs due to being dissatisfied with their current job or to go back to education.

- A fifth of respondents (20.3%, N = 50) reported having skills gaps in their current workforce. Over a third (34.0%, N = 17) of those businesses that stated a skills gap in their current workforces stated that customer handling / service skills was the main skills gap.

- Over a quarter also noted that communication skills (32.0%, N = 16) and advanced IT or software skills (30.0%, N = 15) are also rare in the current workforce of Gwynedd businesses.

- Although based on a fairly small number of responses, a worrying trend is that the breadth of the skills gap is increasing. For example, at least 22.0% state a skills gap against 8 of the 11 skills listed as answers to this question. This compares with: 6 months ago = 5/11, a year ago = 3/11, 18 months ago = 2/11 and 2 years ago = 4/11.

- Among the barriers to accessing training, the cost of training and lack of time were noted as the biggest barriers (36.6%, N = 90 and 35.8%, N = 88 respectively).

- The most common response by Gwynedd businesses (34.6%, N = 85) is that they use or have used private training providers as their main training organisations. This is also the trend across all areas of operation.

- Over the last 6 months, and excluding seasonal variations, 33.7% (N = 83) of businesses stated that their business activities had not changed, whilst 18.3% (N = 45) saw an improvement and 22.4% saw a deterioration (N = 55).

- Again excluding seasonal variations, 39.0% (N = 96) of Gwynedd businesses do not anticipate that their business operations will change over the next 6 months, whilst 13.0% (N = 32) expect a decline and 22.4% (N = 55) expect an improvement.

- Although not quite as favourable as six months ago, the picture is still considerably more optimistic in terms of expected change to business activity when compared to the previous three surveys (covering the previous 18 months).

- When compared to the last survey, the proportion of businesses expecting no change has decreased slightly from 39.7% to 39.0%, whilst the proportion expecting deterioration in business activity has declined from 13.9% to 13.0%. The proportion of businesses expecting an improvement for the next 6 months has decreased slighlty from 26.4% to 22.4%.

- The majority of businesses (46.3%, N = 114) have not undertaken any of the actions listed over the last 6 months – this is also true for each of the main areas of operation.

- The majority of respondents do not intend undertaking any of the listed actions over the next 6 months

- For those for whom the question was relevant, generally, levels of investment are not expected to change in the next 6 months compared with the last 6 months. One of every five respondents (20.3%, N = 50) expect to invest more in marketing and sales over the next 6 months compared with the last 6 months. The area with the highest proportion (12.6%, N = 31) of respondents anticipating lower investment over the next 6 months compared with the last 6 months is in plant and machinery.

- Although investment over the next 6 months compared to the last 6 months is generally set to be fairly stable across all areas in Gwynedd, the mood appears to be fairly similar to 6 months ago, and more positive than over the previous survey periods. The 'net' percentage foreseeing more rather than less investment in capital (i.e. buildings and plant and machinery) and in product and process development is at its highest over the last two years.

- Generally, trends are expected to be the same for the next 6 months for various business activities. However, prices charged to customers are expected to be higher (12.2%, N = 30), whilst profit margins are expected to be lower (25.6%, N = 63).

- For those where access to finance is relevant, generally businesses are a little more pessimistic in terms of access to finance in the next 6 months, compared with how they felt 6 months ago. However, they are more positive than during the three previous survey periods.

- The Image of Gwynedd (32.1%, N = 79) and other factors (26.4%, N = 65) are the two main opportunities for business growth identified by businesses in Gwynedd. These latest figures mirror those from the last survey.

- The local labour supply (46.3%, N = 114) and the current economic climate (41.9%, N = 103) are the two main barriers to business growth identified by businesses in Gwynedd. Again, these latest figures mirror those from the last survey.

- 19.1% (N = 47) of respondents agreed with the statement that “Gwynedd is a place where things happen”. This is a slight increase since the previous survey which covered the period October 2011 to March 2012, when the proportion was 18.3% (N = 54)

- In terms of awareness of large events which are organised in Gwynedd, respondents were split similarly, with 39.0% (N = 96) being aware and 26.4% (N = 65) not being aware. Only 13.4% of respondents (N = 33) noted that they had profited from / taken advantage of opportunities related to large events within Gwynedd over the past year.

- 47.6% (N = 117) of respondents were aware of industrial units / offices and land available to rent to local busnisses.

- The three subjects on which respondents have most sought advice / information in the last 6 months are grant aid (26.0%, N = 64), training (19.1%, N = 47) and business waste recycling services (17.5%, N = 43).

- The three subjects on which respondents have least sought advice / information are other matters (6.5%, N = 16), premises searches (4.9%, N = 12) and information on premises or land (0.8%, N = 2).

- Over half of respondents (53.3%, N = 131) noted that they were members / regular attendees of a business network. Of these, the highest proportion were mainly members / regular attendees of the Gwynedd Business Network (23.2%, N = 57) followed by the Federation of Small Businesses (15.0%, N = 37).

- 31.7% (N = 78) of respondents stated that they would like more information about the business networks listed. The contact information of these respondents will be forwarded to the Business Support Service at Gwynedd Council so that they can go on to respond in an appropriate manner.

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